



State of California

**DEPARTMENT
OF CHILD
SUPPORT
SERVICES
(DCSS)**

MAY 2001 REVISE

SFY 2001 - 2002



CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



TO: RECIPIENTS OF THE MAY 2001 REVISE OF THE 2001-02
GOVERNOR'S BUDGET

FROM: ANNETTE SILER, CHIEF
Financial Services Branch

DATE: May 15, 2001

SUBJECT: LOCAL ASSISTANCE ESTIMATES

This memorandum transmits the May 2001 Revise local assistance estimates for the 2001-02 Governor's Budget for the California Department of Child Support Services (DCSS).

The May 2001 Revise covers fiscal years 2000-01 and 2001-02. It provides the estimates of the administrative costs for the local child support agencies as well as the detailed methodology for each estimate. It also provide the estimate of the child support collections. For FY 2001-02, the total distributed child support collections are projected to reach over \$2 billion.

The material contained in the May 2001 Revise binder will also be available on the DCSS website: <http://www.childsup.ca.gov>. Should you have any questions, please contact the Financial Planning Section at (916) 464-5150.

**CHILD SUPPORT PROGRAM
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COST COMPARISON OF
2000-01 MAY REVISE TO 2000-01 APPROPRIATION
(in thousands)

| Budget Item | 2000-01 MAY REVISE | | | | | 2000-01 APPROPRIATIONS | | | | | DIFFERENCES | | | | |
|--|--------------------|----------|---------|----------|--------|------------------------|----------|---------|----------|--------|-------------|---------|--------|--------|--------|
| | Total | Federal | State | County | Reimb. | Total | Federal | State | County | Reimb. | Total | Federal | State | County | Reimb. |
| 1 101 CHILD SUPPORT PROGRAM COSTS | 872,477 | 510,557 | 361,784 | 0 | 136 | 870,668 | 530,875 | 339,793 | 0 | 0 | 1,809 | -20,318 | 21,991 | 0 | 136 |
| 0 | | | | | | | | | | | | | | | |
| 2 Child Support Administration 10.01 | 856,502 | 432,559 | 153,132 | 270,675 | 136 | 857,123 | 459,729 | 126,719 | 270,675 | 0 | -621 | -27,170 | 26,413 | 0 | 136 |
| 3 Local Child Support Agency Basic Costs | 795,578 | 524,960 | 0 | 270,618 | 0 | 796,873 | 525,341 | 900 | 270,632 | 0 | -1,295 | -381 | -900 | -14 | 0 |
| 4 Administration | 697,398 | 460,161 | 0 | 237,237 | 0 | 698,693 | 460,542 | 900 | 237,251 | 0 | -1,295 | -381 | -900 | -14 | 0 |
| 5 EDP M&O | 98,180 | 64,799 | 0 | 33,381 | 0 | 98,180 | 64,799 | 0 | 33,381 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 EDP Conversion and Enhancements | 27,317 | 16,802 | 10,515 | 0 | 0 | 28,997 | 19,138 | 9,859 | 0 | 0 | -1,680 | -2,336 | 656 | 0 | 0 |
| 7 California Arrearage Management Project-County Cost | 0 | 0 | 0 | 0 | 0 | 1,066 | 704 | 362 | 0 | 0 | -1,066 | -704 | -362 | 0 | 0 |
| 8 Interim Access Federal Case Registry | 1,552 | 1,024 | 528 | 0 | 0 | 1,552 | 1,024 | 528 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 Backfill Loss of FFP-County Automation | 0 | -3,496 | 3,496 | 0 | 0 | 0 | -3,496 | 3,496 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 P.L. 105-200 Alternative Federal Penalty | 0 | -110,997 | 110,997 | 0 | 0 | 0 | -101,563 | 101,563 | 0 | 0 | 0 | -9,434 | 9,434 | 0 | 0 |
| 11 SACSS Closeout Audit | 0 | -16,504 | 16,504 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -16,504 | 16,504 | 0 | 0 |
| 12 Compliance Review Project | 4,538 | 2,995 | 1,543 | 0 | 0 | 4,441 | 2,931 | 1,510 | 0 | 0 | 97 | 64 | 33 | 0 | 0 |
| 13 State Investment Funds Project | 1,465 | 967 | 458 | 40 | 0 | 1,465 | 967 | 458 | 40 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Health Insurance Incentives | 2,193 | 0 | 2,193 | 0 | 0 | 2,198 | 0 | 2,198 | 0 | 0 | -5 | 0 | -5 | 0 | 0 |
| 15 Noncustodial Parent Demonstration Project | 2,894 | 1,910 | 984 | 0 | 0 | 2,894 | 1,910 | 984 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 Fathers, Families, and Communities Demo Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 San Mateo County NCP Demo Project | 290 | 276 | 0 | 14 | 0 | 59 | 56 | 0 | 3 | 0 | 231 | 220 | 0 | 11 | 0 |
| 18 Local Agency Transitions | 2,900 | 1,914 | 986 | 0 | 0 | 4,713 | 3,111 | 1,602 | 0 | 0 | -1,813 | -1,197 | -616 | 0 | 0 |
| 19 Partners For Fragile Families Demonstration Project | 350 | 350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 350 | 350 | 0 | 0 | 0 |
| 20 Urban Hispanic Outreach Project | 63 | 60 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 63 | 60 | 0 | 3 | 0 |
| 21 Child Support Assurance Demo Project-Evaluation | 136 | 0 | 0 | 0 | 136 | 0 | 0 | 0 | 0 | 0 | 136 | 0 | 0 | 0 | 136 |
| 22 Foster Parent Training Fund | 4,928 | 0 | 4,928 | 0 | 0 | 3,259 | 0 | 3,259 | 0 | 0 | 1,669 | 0 | 1,669 | 0 | 0 |
| 23 Title IV-E Child Support Collections | 12,298 | 12,298 | 0 | 0 | 0 | 9,606 | 9,606 | 0 | 0 | 0 | 2,692 | 2,692 | 0 | 0 | 0 |
| 24 Child Support Incentives 10.02 | 1,249 | 63,272 | 208,652 | -270,675 | 0 | 1,159 | 58,760 | 213,074 | -270,675 | 0 | 90 | 4,512 | -4,422 | 0 | 0 |
| 25 Basic Incentives | 0 | 63,272 | 207,403 | -270,675 | 0 | 0 | 58,760 | 211,915 | -270,675 | 0 | 0 | 4,512 | -4,512 | 0 | 0 |
| 26 Improved Collections Incentives (AB 196) | 1,249 | 0 | 1,249 | 0 | 0 | 1,159 | 0 | 1,159 | 0 | 0 | 90 | 0 | 90 | 0 | 0 |
| 27 Child Support Automation 10.03 | 14,726 | 14,726 | 0 | 0 | 0 | 12,386 | 12,386 | 0 | 0 | 0 | 2,340 | 2,340 | 0 | 0 | 0 |
| 28 California Child Support Automation System | 14,726 | 14,726 | 0 | 0 | 0 | 12,386 | 12,386 | 0 | 0 | 0 | 2,340 | 2,340 | 0 | 0 | 0 |

TABLE NUMBER 2
COST COMPARISON OF
2000-01 MAY REVISE TO 2000-01 NOVEMBER ESTIMATE
(in thousands)

| Budget Item | 2000-01 MAY REVISE | | | | | 2000-01 NOVEMBER ESTIMATE | | | | | DIFFERENCES | | | | |
|--|--------------------|----------|---------|----------|--------|---------------------------|----------|---------|----------|--------|-------------|---------|--------|---------|--------|
| | Total | Federal | State | County | Reimb. | Total | Federal | State | County | Reimb. | Total | Federal | State | County | Reimb. |
| 1 101 CHILD SUPPORT PROGRAM COSTS | 872,477 | 510,557 | 361,784 | 0 | 136 | 840,529 | 469,787 | 370,742 | 0 | 0 | 31,948 | 40,770 | -8,958 | 0 | 136 |
| 0 | | | | | | | | | | | | | | | |
| 2 Child Support Administration 10.01 | 856,502 | 432,559 | 153,132 | 270,675 | 136 | 824,644 | 408,405 | 157,668 | 258,571 | 0 | 31,858 | 24,154 | -4,536 | 12,104 | 136 |
| 3 Local Child Support Agency Basic Costs | 795,578 | 524,960 | 0 | 270,618 | 0 | 760,044 | 501,527 | 0 | 258,517 | 0 | 35,534 | 23,433 | 0 | 12,101 | 0 |
| 4 Administration | 697,398 | 460,161 | 0 | 237,237 | 0 | 661,864 | 436,728 | 0 | 225,136 | 0 | 35,534 | 23,433 | 0 | 12,101 | 0 |
| 5 EDP M&O | 98,180 | 64,799 | 0 | 33,381 | 0 | 98,180 | 64,799 | 0 | 33,381 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 EDP Conversion and Enhancements | 27,317 | 16,802 | 10,515 | 0 | 0 | 29,336 | 17,462 | 11,874 | 0 | 0 | -2,019 | -660 | -1,359 | 0 | 0 |
| 7 California Arrearage Management Project-County Cost: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 Interim Access Federal Case Registry | 1,552 | 1,024 | 528 | 0 | 0 | 1,552 | 1,024 | 528 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 Backfill Loss of FFP-County Automation | 0 | -3,496 | 3,496 | 0 | 0 | 0 | -3,496 | 3,496 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 P.L. 105-200 Alternative Federal Penalty | 0 | -110,997 | 110,997 | 0 | 0 | 0 | -113,524 | 113,524 | 0 | 0 | 0 | 2,527 | -2,527 | 0 | 0 |
| 11 SACSS Closeout Audit | 0 | -16,504 | 16,504 | 0 | 0 | 0 | -17,000 | 17,000 | 0 | 0 | 0 | 496 | -496 | 0 | 0 |
| 12 Compliance Review Project | 4,538 | 2,995 | 1,543 | 0 | 0 | 4,538 | 2,995 | 1,543 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 State Investment Funds Project | 1,465 | 967 | 458 | 40 | 0 | 1,465 | 967 | 458 | 40 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Health Insurance Incentives | 2,193 | 0 | 2,193 | 0 | 0 | 2,198 | 0 | 2,198 | 0 | 0 | -5 | 0 | -5 | 0 | 0 |
| 15 Noncustodial Parent Demonstration Project | 2,894 | 1,910 | 984 | 0 | 0 | 2,894 | 1,910 | 984 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 Fathers, Families, and Communities Demo Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 San Mateo County NCP Demo Project | 290 | 276 | 0 | 14 | 0 | 290 | 276 | 0 | 14 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 Local Agency Transitions | 2,900 | 1,914 | 986 | 0 | 0 | 4,713 | 3,111 | 1,602 | 0 | 0 | -1,813 | -1,197 | -616 | 0 | 0 |
| 19 Partners For Fragile Families Demonstration Project | 350 | 350 | 0 | 0 | 0 | 350 | 350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 Urban Hispanic Outreach Project | 63 | 60 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 63 | 60 | 0 | 3 | 0 |
| 21 Child Support Assurance Demo Project-Evaluation | 136 | 0 | 0 | 0 | 136 | 0 | 0 | 0 | 0 | 0 | 136 | 0 | 0 | 0 | 136 |
| 22 Foster Parent Training Fund | 4,928 | 0 | 4,928 | 0 | 0 | 4,461 | 0 | 4,461 | 0 | 0 | 467 | 0 | 467 | 0 | 0 |
| 23 Title IV-E Child Support Collections | 12,298 | 12,298 | 0 | 0 | 0 | 12,803 | 12,803 | 0 | 0 | 0 | -505 | -505 | 0 | 0 | 0 |
| 24 Child Support Incentives 10.02 | 1,249 | 63,272 | 208,652 | -270,675 | 0 | 1,159 | 46,656 | 213,074 | -258,571 | 0 | 90 | 16,616 | -4,422 | -12,104 | 0 |
| 25 Basic Incentives | 0 | 63,272 | 207,403 | -270,675 | 0 | 0 | 46,656 | 211,915 | -258,571 | 0 | 0 | 16,616 | -4,512 | -12,104 | 0 |
| 26 Improved Collections Incentives (AB 196) | 1,249 | 0 | 1,249 | 0 | 0 | 1,159 | 0 | 1,159 | 0 | 0 | 90 | 0 | 90 | 0 | 0 |
| 27 Child Support Automation 10.03 | 14,726 | 14,726 | 0 | 0 | 0 | 14,726 | 14,726 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 28 California Child Support Automation System | 14,726 | 14,726 | 0 | 0 | 0 | 14,726 | 14,726 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TABLE NUMBER 3
COST COMPARISON OF
2001-02 MAY REVISE TO 2000-01 MAY REVISE
(in thousands)

| Budget Item | 2001-02 MAY REVISE | | | | | 2000-01 MAY REVISE | | | | | DIFFERENCES | | | | |
|--|--------------------|----------------|----------------|-----------------|------------|--------------------|----------------|----------------|-----------------|------------|---------------|----------------|---------------|----------------|------------|
| | Total | Federal | State | County | Reimb. | Total | Federal | State | County | Reimb. | Total | Federal | State | County | Reimb. |
| 1 101 CHILD SUPPORT PROGRAM COSTS | 970,889 | 531,926 | 438,463 | 0 | 500 | 872,477 | 510,557 | 361,784 | 0 | 136 | 98,412 | 21,369 | 76,679 | 0 | 364 |
| 2 Child Support Administration 10.01 | 956,016 | 473,969 | 174,393 | 307,154 | 500 | 856,502 | 432,559 | 153,132 | 270,675 | 136 | 99,514 | 41,410 | 21,261 | 36,479 | 364 |
| 3 Local Child Support Agency Basic Costs | 903,846 | 596,738 | 0 | 307,108 | 0 | 795,578 | 524,960 | 0 | 270,618 | 0 | 108,268 | 71,778 | 0 | 36,490 | 0 |
| 4 Administration | 795,092 | 524,960 | 0 | 270,132 | 0 | 697,398 | 460,161 | 0 | 237,237 | 0 | 97,694 | 64,799 | 0 | 32,895 | 0 |
| 5 EDP M&O | 108,754 | 71,778 | 0 | 36,976 | 0 | 98,180 | 64,799 | 0 | 33,381 | 0 | 10,574 | 6,979 | 0 | 3,595 | 0 |
| 6 EDP Conversion and Enhancements | 18,262 | 11,379 | 6,883 | 0 | 0 | 27,317 | 16,802 | 10,515 | 0 | 0 | -9,055 | -5,423 | -3,632 | 0 | 0 |
| 7 California Arrearage Management Project-County Cost: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 Interim Access Federal Case Registry | 249 | 164 | 85 | 0 | 0 | 1,552 | 1,024 | 528 | 0 | 0 | -1,303 | -860 | -443 | 0 | 0 |
| 9 Backfill Loss of FFP-County Automation | 0 | -1,943 | 1,943 | 0 | 0 | 0 | -3,496 | 3,496 | 0 | 0 | 0 | 1,553 | -1,553 | 0 | 0 |
| 10 P.L. 105-200 Alternative Federal Penalty | 0 | -151,977 | 151,977 | 0 | 0 | 0 | -110,997 | 110,997 | 0 | 0 | 0 | -40,980 | 40,980 | 0 | 0 |
| 11 SACSS Closeout Audit | 0 | 0 | 0 | 0 | 0 | 0 | -16,504 | 16,504 | 0 | 0 | 0 | 16,504 | -16,504 | 0 | 0 |
| 12 Compliance Review Project | 4,658 | 3,074 | 1,584 | 0 | 0 | 4,538 | 2,995 | 1,543 | 0 | 0 | 120 | 79 | 41 | 0 | 0 |
| 13 State Investment Funds Project | 1,465 | 967 | 458 | 40 | 0 | 1,465 | 967 | 458 | 40 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Health Insurance Incentives | 2,343 | 0 | 2,343 | 0 | 0 | 2,193 | 0 | 2,193 | 0 | 0 | 150 | 0 | 150 | 0 | 0 |
| 15 Noncustodial Parent Demonstration Project | 0 | 0 | 0 | 0 | 0 | 2,894 | 1,910 | 984 | 0 | 0 | -2,894 | -1,910 | -984 | 0 | 0 |
| 16 Fathers, Families, and Communities Demo Project | 4,276 | 689 | 3,587 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,276 | 689 | 3,587 | 0 | 0 |
| 17 San Mateo County NCP Demo Project | 24 | 23 | 0 | 1 | 0 | 290 | 276 | 0 | 14 | 0 | -266 | -253 | 0 | -13 | 0 |
| 18 Local Agency Transitions | 1,600 | 1,056 | 544 | 0 | 0 | 2,900 | 1,914 | 986 | 0 | 0 | -1,300 | -858 | -442 | 0 | 0 |
| 19 Partners For Fragile Families Demonstration Project | 350 | 350 | 0 | 0 | 0 | 350 | 350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 Urban Hispanic Outreach Project | 109 | 104 | 0 | 5 | 0 | 63 | 60 | 0 | 3 | 0 | 46 | 44 | 0 | 2 | 0 |
| 21 Child Support Assurance Demo Project-Evaluation | 500 | 0 | 0 | 0 | 500 | 136 | 0 | 0 | 0 | 136 | 364 | 0 | 0 | 0 | 364 |
| 22 Foster Parent Training Fund | 4,989 | 0 | 4,989 | 0 | 0 | 4,928 | 0 | 4,928 | 0 | 0 | 61 | 0 | 61 | 0 | 0 |
| 23 Title IV-E Child Support Collections | 13,345 | 13,345 | 0 | 0 | 0 | 12,298 | 12,298 | 0 | 0 | 0 | 1,047 | 1,047 | 0 | 0 | 0 |
| 24 Child Support Incentives 10.02 | 1,332 | 44,416 | 264,070 | -307,154 | 0 | 1,249 | 63,272 | 208,652 | -270,675 | 0 | 83 | -18,856 | 55,418 | -36,479 | 0 |
| 25 Basic Incentives | 0 | 44,416 | 262,738 | -307,154 | 0 | 0 | 63,272 | 207,403 | -270,675 | 0 | 0 | -18,856 | 55,335 | -36,479 | 0 |
| 26 Improved Collections Incentives (AB 196) | 1,332 | 0 | 1,332 | 0 | 0 | 1,249 | 0 | 1,249 | 0 | 0 | 83 | 0 | 83 | 0 | 0 |
| 27 Child Support Automation 10.03 | 13,541 | 13,541 | 0 | 0 | 0 | 14,726 | 14,726 | 0 | 0 | 0 | -1,185 | -1,185 | 0 | 0 | 0 |
| 28 California Child Support Automation System | 13,541 | 13,541 | 0 | 0 | 0 | 14,726 | 14,726 | 0 | 0 | 0 | -1,185 | -1,185 | 0 | 0 | 0 |

TABLE NUMBER 4
COST COMPARISON OF
2001-02 MAY REVISE TO 2001-02 GOVERNOR'S BUDGET
(in thousands)

| Budget Item | 2001-02 MAY REVISE | | | | | 2001-02 GOVERNOR'S BUDGET | | | | | DIFFERENCES | | | | |
|--|--------------------|----------|---------|----------|--------|---------------------------|----------|---------|----------|--------|-------------|---------|---------|---------|--------|
| | Total | Federal | State | County | Reimb. | Total | Federal | State | County | Reimb. | Total | Federal | State | County | Reimb. |
| 1 101 CHILD SUPPORT PROGRAM COSTS | 970,889 | 531,926 | 438,463 | 0 | 500 | 996,869 | 541,734 | 455,135 | 0 | 0 | -25,980 | -9,808 | -16,672 | 0 | 500 |
| 0 | | | | | | | | | | | | | | | |
| 2 Child Support Administration 10.01 | 956,016 | 473,969 | 174,393 | 307,154 | 500 | 982,169 | 480,567 | 185,028 | 316,574 | 0 | -26,153 | -6,598 | -10,635 | -9,420 | 500 |
| 3 Local Child Support Agency Basic Costs | 903,846 | 596,738 | 0 | 307,108 | 0 | 930,621 | 614,088 | 0 | 316,533 | 0 | -26,775 | -17,350 | 0 | -9,425 | 0 |
| 4 Administration | 795,092 | 524,960 | 0 | 270,132 | 0 | 827,532 | 546,049 | 0 | 281,483 | 0 | -32,440 | -21,089 | 0 | -11,351 | 0 |
| 5 EDP M&O | 108,754 | 71,778 | 0 | 36,976 | 0 | 103,089 | 68,039 | 0 | 35,050 | 0 | 5,665 | 3,739 | 0 | 1,926 | 0 |
| 6 EDP Conversion and Enhancements | 18,262 | 11,379 | 6,883 | 0 | 0 | 16,475 | 10,874 | 5,601 | 0 | 0 | 1,787 | 505 | 1,282 | 0 | 0 |
| 7 California Arrearage Management Project-County Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 Interim Access Federal Case Registry | 249 | 164 | 85 | 0 | 0 | 249 | 164 | 85 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 Backfill Loss of FFP-County Automation | 0 | -1,943 | 1,943 | 0 | 0 | 0 | -4,335 | 4,335 | 0 | 0 | 0 | 2,392 | -2,392 | 0 | 0 |
| 10 P.L. 105-200 Alternative Federal Penalty | 0 | -151,977 | 151,977 | 0 | 0 | 0 | -163,237 | 163,237 | 0 | 0 | 0 | 11,260 | -11,260 | 0 | 0 |
| 11 SACSS Closeout Audit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 Compliance Review Project | 4,658 | 3,074 | 1,584 | 0 | 0 | 4,653 | 3,071 | 1,582 | 0 | 0 | 5 | 3 | 2 | 0 | 0 |
| 13 State Investment Funds Project | 1,465 | 967 | 458 | 40 | 0 | 1,465 | 967 | 458 | 40 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Health Insurance Incentives | 2,343 | 0 | 2,343 | 0 | 0 | 2,198 | 0 | 2,198 | 0 | 0 | 145 | 0 | 145 | 0 | 0 |
| 15 Noncustodial Parent Demonstration Project | 0 | 0 | 0 | 0 | 0 | 2,243 | 1,480 | 763 | 0 | 0 | -2,243 | -1,480 | -763 | 0 | 0 |
| 16 Fathers, Families, and Communities Demo Project | 4,276 | 689 | 3,587 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,276 | 689 | 3,587 | 0 | 0 |
| 17 San Mateo County NCP Demo Project | 24 | 23 | 0 | 1 | 0 | 24 | 23 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 Local Agency Transitions | 1,600 | 1,056 | 544 | 0 | 0 | 4,713 | 3,111 | 1,602 | 0 | 0 | -3,113 | -2,055 | -1,058 | 0 | 0 |
| 19 Partners For Fragile Families Demonstration Project | 350 | 350 | 0 | 0 | 0 | 350 | 350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 Urban Hispanic Outreach Project | 109 | 104 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 109 | 104 | 0 | 5 | 0 |
| 21 Child Support Assurance Demo Project-Evaluation | 500 | 0 | 0 | 0 | 500 | 0 | 0 | 0 | 0 | 0 | 500 | 0 | 0 | 0 | 500 |
| 22 Foster Parent Training Fund | 4,989 | 0 | 4,989 | 0 | 0 | 5,167 | 0 | 5,167 | 0 | 0 | -178 | 0 | -178 | 0 | 0 |
| 23 Title IV-E Child Support Collections | 13,345 | 13,345 | 0 | 0 | 0 | 14,011 | 14,011 | 0 | 0 | 0 | -666 | -666 | 0 | 0 | 0 |
| 24 Child Support Incentives 10.02 | 1,332 | 44,416 | 264,070 | -307,154 | 0 | 1,159 | 47,626 | 270,107 | -316,574 | 0 | 173 | -3,210 | -6,037 | 9,420 | 0 |
| 25 Basic Incentives | 0 | 44,416 | 262,738 | -307,154 | 0 | 0 | 47,626 | 268,948 | -316,574 | 0 | 0 | -3,210 | -6,210 | 9,420 | 0 |
| 26 Improved Collections Incentives (AB 196) | 1,332 | 0 | 1,332 | 0 | 0 | 1,159 | 0 | 1,159 | 0 | 0 | 173 | 0 | 173 | 0 | 0 |
| 0 | | | | | | | | | | | | | | | |
| 0 | | | | | | | | | | | | | | | |
| 27 Child Support Automation 10.03 | 13,541 | 13,541 | 0 | 0 | 0 | 13,541 | 13,541 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 28 California Child Support Automation System | 13,541 | 13,541 | 0 | 0 | 0 | 13,541 | 13,541 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

**CHILD SUPPORT PROGRAM
COLLECTION COMPARISONS**

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BUDGET YEAR COMPARISONS:

| | | |
|----------|--|-----------------|
| Table 3. | 2001-02 May Revise to 2000-01 May Revise..... | May BY – May CY |
| Table 4. | 2001-02 May Revise to 2001-02 Governor’s Budget..... | May BY – Gov BY |

OTHER COMPARISONS:

| | |
|----------|--|
| Chart 1. | Child Support Total Projected Distributed Collections |
| Chart 2. | Child Support Total Distributed Collections Trend Analysis |

TABLE NUMBER 1
COLLECTIONS COMPARISON OF
2000-01 MAY REVISE TO 2000-01 INITIAL
(in thousands)

| Budget Item | 2000-01 MAY REVISE | | | | | 2000-01 INITIAL | | | | | DIFFERENCES | | | | |
|---|--------------------|---------|---------|--------|-----------|-----------------|---------|---------|--------|-----------|-------------|---------|--------|--------|----------|
| | Total | Federal | State | County | Other 1/ | Total | Federal | State | County | Other 1/ | Total | Federal | State | County | Other 1/ |
| 1 CHILD SUPPORT PROGRAM COLLECTIONS | 2,038,207 | 328,038 | 320,948 | 36,293 | 1,352,928 | 1,980,700 | 318,985 | 290,075 | 31,876 | 1,339,764 | 57,507 | 9,053 | 30,873 | 4,417 | 13,164 |
| 2 Child Support Assistance Collections | 685,279 | 328,038 | 320,948 | 36,293 | 0 | 640,936 | 318,985 | 290,075 | 31,876 | 0 | 44,343 | 9,053 | 30,873 | 4,417 | 0 |
| 3 Basic Collections | 627,811 | 300,528 | 294,034 | 33,249 | 0 | 589,952 | 293,611 | 267,001 | 29,340 | 0 | 37,859 | 6,917 | 27,033 | 3,909 | 0 |
| 4 State Investment Funds Project | 2,461 | 1,179 | 1,152 | 130 | 0 | 3,655 | 1,819 | 1,654 | 182 | 0 | -1,194 | -640 | -502 | -52 | 0 |
| 5 FTB NonTax Collections Program | 53,106 | 25,421 | 24,872 | 2,813 | 0 | 44,414 | 22,104 | 20,101 | 2,209 | 0 | 8,692 | 3,317 | 4,771 | 604 | 0 |
| 6 Noncustodial Parent Demonstration Project | 1,901 | 910 | 890 | 101 | 0 | 2,915 | 1,451 | 1,319 | 145 | 0 | -1,014 | -541 | -429 | -44 | 0 |
| 7 Fathers, Families, and Communitas Demo Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 Child Support NonAssistance Collections | 1,206,659 | 0 | 0 | 0 | 1,206,659 | 1,182,710 | 0 | 0 | 0 | 1,182,710 | 23,949 | 0 | 0 | 0 | 23,949 |
| 9 Basic Collections | 1,162,504 | 0 | 0 | 0 | 1,162,504 | 1,151,189 | 0 | 0 | 0 | 1,151,189 | 11,315 | 0 | 0 | 0 | 11,315 |
| 10 State Investment Funds Project | 1,194 | 0 | 0 | 0 | 1,194 | 0 | 0 | 0 | 0 | 0 | 1,194 | 0 | 0 | 0 | 1,194 |
| 11 FTB NonTax Collections Program | 42,961 | 0 | 0 | 0 | 42,961 | 31,521 | 0 | 0 | 0 | 31,521 | 11,440 | 0 | 0 | 0 | 11,440 |
| 12 Noncustodial Parent Demonstration Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 Fathers, Families, and Communitas Demo Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Child Support Other Collections | 146,269 | 0 | 0 | 0 | 146,269 | 157,054 | 0 | 0 | 0 | 157,054 | -10,785 | 0 | 0 | 0 | -10,785 |
| 15 \$50 State Disregard Payments to Families | 30,276 | 0 | 0 | 0 | 30,276 | 27,604 | 0 | 0 | 0 | 27,604 | 2,672 | 0 | 0 | 0 | 2,672 |
| 16 Collections for Other States - Assistance | 18,013 | 0 | 0 | 0 | 18,013 | 31,198 | 0 | 0 | 0 | 31,198 | -13,185 | 0 | 0 | 0 | -13,185 |
| 17 Collections for Other States - NonAssistance | 97,980 | 0 | 0 | 0 | 97,980 | 98,252 | 0 | 0 | 0 | 98,252 | -272 | 0 | 0 | 0 | -272 |

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

TABLE NUMBER 2
COLLECTIONS COMPARISON OF
2000-01 MAY REVISE TO 2000-01 NOVEMBER ESTIMATE
(in thousands)

| Budget Item | 2000-01 MAY REVISE | | | | | 2000-01 NOVEMBER ESTIMATE | | | | | DIFFERENCES | | | | |
|---|--------------------|---------|---------|--------|-----------|---------------------------|---------|---------|--------|-----------|-------------|---------|---------|--------|----------|
| | Total | Federal | State | County | Other 1/ | Total | Federal | State | County | Other 1/ | Total | Federal | State | County | Other 1/ |
| 1 CHILD SUPPORT PROGRAM COLLECTIONS | 2,038,207 | 328,038 | 320,948 | 36,293 | 1,352,928 | 2,100,088 | 362,152 | 350,320 | 38,807 | 1,348,809 | -61,881 | -34,114 | -29,372 | -2,514 | 4,119 |
| 2 Child Support Assistance Collections | 685,279 | 328,038 | 320,948 | 36,293 | 0 | 751,279 | 362,152 | 350,320 | 38,807 | 0 | -66,000 | -34,114 | -29,372 | -2,514 | 0 |
| 3 Basic Collections | 627,811 | 300,528 | 294,034 | 33,249 | 0 | 695,023 | 335,009 | 324,066 | 35,948 | 0 | -67,212 | -34,481 | -30,032 | -2,699 | 0 |
| 4 State Investment Funds Project | 2,461 | 1,179 | 1,152 | 130 | 0 | 2,461 | 1,186 | 1,148 | 127 | 0 | 0 | -7 | 4 | 3 | 0 |
| 5 FTB NonTax Collections Program | 53,106 | 25,421 | 24,872 | 2,813 | 0 | 51,894 | 25,013 | 24,197 | 2,684 | 0 | 1,212 | 408 | 675 | 129 | 0 |
| 6 Noncustodial Parent Demonstration Project | 1,901 | 910 | 890 | 101 | 0 | 1,901 | 944 | 909 | 48 | 0 | 0 | -34 | -19 | 53 | 0 |
| 7 Fathers, Families, and Communitis Demo Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 Child Support NonAssistance Collections | 1,206,659 | 0 | 0 | 0 | 1,206,659 | 1,200,768 | 0 | 0 | 0 | 1,200,768 | 5,891 | 0 | 0 | 0 | 5,891 |
| 9 Basic Collections | 1,162,504 | 0 | 0 | 0 | 1,162,504 | 1,160,522 | 0 | 0 | 0 | 1,160,522 | 1,982 | 0 | 0 | 0 | 1,982 |
| 10 State Investment Funds Project | 1,194 | 0 | 0 | 0 | 1,194 | 1,194 | 0 | 0 | 0 | 1,194 | 0 | 0 | 0 | 0 | 0 |
| 11 FTB NonTax Collections Program | 42,961 | 0 | 0 | 0 | 42,961 | 39,052 | 0 | 0 | 0 | 39,052 | 3,909 | 0 | 0 | 0 | 3,909 |
| 12 Noncustodial Parent Demonstration Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 Fathers, Families, and Communitis Demo Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Child Support Other Collections | 146,269 | 0 | 0 | 0 | 146,269 | 148,041 | 0 | 0 | 0 | 148,041 | -1,772 | 0 | 0 | 0 | -1,772 |
| 15 \$50 State Disregard Payments to Families | 30,276 | 0 | 0 | 0 | 30,276 | 30,276 | 0 | 0 | 0 | 30,276 | 0 | 0 | 0 | 0 | 0 |
| 16 Collections for Other States - Assistance | 18,013 | 0 | 0 | 0 | 18,013 | 19,957 | 0 | 0 | 0 | 19,957 | -1,944 | 0 | 0 | 0 | -1,944 |
| 17 Collections for Other States - NonAssistance | 97,980 | 0 | 0 | 0 | 97,980 | 97,808 | 0 | 0 | 0 | 97,808 | 172 | 0 | 0 | 0 | 172 |

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

TABLE NUMBER 3
COLLECTIONS COMPARISON OF
2001-02 MAY REVISE TO 2000-01 MAY REVISE
(thousands)

| Budget Item | 2001-02 MAY REVISE | | | | | 2000-01 MAY REVISE | | | | | DIFFERENCES | | | | |
|---|--------------------|---------|---------|--------|-----------|--------------------|---------|---------|--------|-----------|-------------|---------|--------|--------|----------|
| | Total | Federal | State | County | Other 1/ | Total | Federal | State | County | Other 1/ | Total | Federal | State | County | Other 1/ |
| 1 CHILD SUPPORT PROGRAM COLLECTIONS | 2,258,483 | 355,960 | 348,183 | 39,359 | 1,514,981 | 2,038,207 | 328,038 | 320,948 | 36,293 | 1,352,928 | 220,276 | 27,922 | 27,235 | 3,066 | 162,053 |
| 2 Child Support Assistance Collections | 743,502 | 355,960 | 348,183 | 39,359 | 0 | 685,279 | 328,038 | 320,948 | 36,293 | 0 | 58,223 | 27,922 | 27,235 | 3,066 | 0 |
| 3 Basic Collections | 684,385 | 327,657 | 320,499 | 36,229 | 0 | 627,811 | 300,528 | 294,034 | 33,249 | 0 | 56,574 | 27,129 | 26,465 | 2,980 | 0 |
| 4 State Investment Funds Project | 2,461 | 1,179 | 1,152 | 130 | 0 | 2,461 | 1,179 | 1,152 | 130 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 FTB NonTax Collections Program | 56,586 | 27,091 | 26,499 | 2,996 | 0 | 53,106 | 25,421 | 24,872 | 2,813 | 0 | 3,480 | 1,670 | 1,627 | 183 | 0 |
| 6 Noncustodial Parent Demonstration Project | 0 | 0 | 0 | 0 | 0 | 1,901 | 910 | 890 | 101 | 0 | -1,901 | -910 | -890 | -101 | 0 |
| 7 Fathers, Families, and Communités Demo Project | 70 | 33 | 33 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 33 | 33 | 4 | 0 |
| 8 Child Support NonAssistance Collections | 1,356,913 | 0 | 0 | 0 | 1,356,913 | 1,206,659 | 0 | 0 | 0 | 1,206,659 | 150,254 | 0 | 0 | 0 | 150,254 |
| 9 Basic Collections | 1,309,942 | 0 | 0 | 0 | 1,309,942 | 1,162,504 | 0 | 0 | 0 | 1,162,504 | 147,438 | 0 | 0 | 0 | 147,438 |
| 10 State Investment Funds Project | 1,194 | 0 | 0 | 0 | 1,194 | 1,194 | 0 | 0 | 0 | 1,194 | 0 | 0 | 0 | 0 | 0 |
| 11 FTB NonTax Collections Program | 45,777 | 0 | 0 | 0 | 45,777 | 42,961 | 0 | 0 | 0 | 42,961 | 2,816 | 0 | 0 | 0 | 2,816 |
| 12 Noncustodial Parent Demonstration Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 Fathers, Families, and Communités Demo Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Child Support Other Collections | 158,068 | 0 | 0 | 0 | 158,068 | 146,269 | 0 | 0 | 0 | 146,269 | 11,799 | 0 | 0 | 0 | 11,799 |
| 15 \$50 State Disregard Payments to Families | 28,010 | 0 | 0 | 0 | 28,010 | 30,276 | 0 | 0 | 0 | 30,276 | -2,266 | 0 | 0 | 0 | -2,266 |
| 16 Collections for Other States - Assistance | 19,635 | 0 | 0 | 0 | 19,635 | 18,013 | 0 | 0 | 0 | 18,013 | 1,622 | 0 | 0 | 0 | 1,622 |
| 17 Collections for Other States - NonAssistance | 110,423 | 0 | 0 | 0 | 110,423 | 97,980 | 0 | 0 | 0 | 97,980 | 12,443 | 0 | 0 | 0 | 12,443 |

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

TABLE NUMBER 4
COLLECTIONS COMPARISON OF
2001-02 MAY REVISE TO 2001-02 GOVERNOR'S BUDGET
(in thousands)

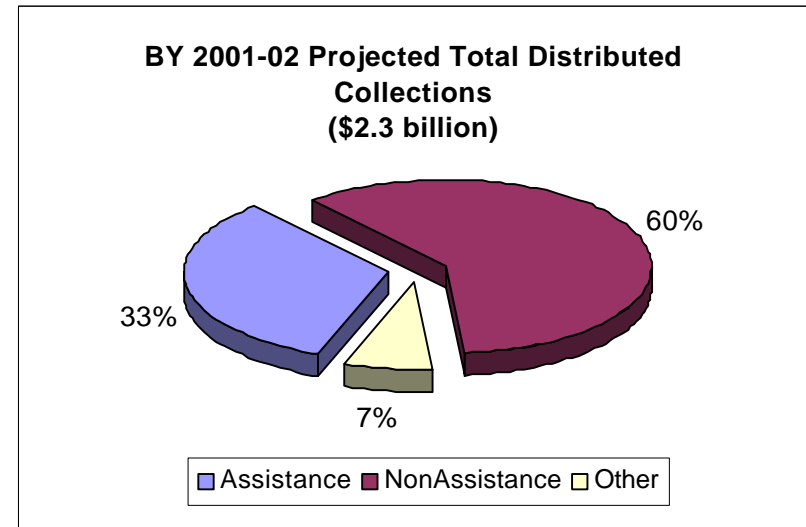
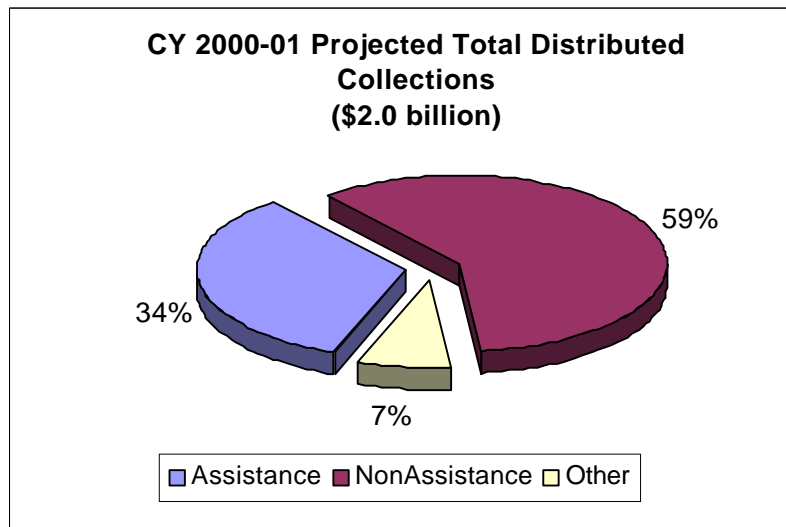
| Budget Item | 2001-02 MAY REVISE | | | | | 2001-02 GOVERNOR'S BUDGET | | | | | DIFFERENCES | | | | |
|---|--------------------|---------|---------|--------|-----------|---------------------------|---------|---------|--------|-----------|-------------|---------|---------|--------|----------|
| | Total | Federal | State | County | Other 1/ | Total | Federal | State | County | Other 1/ | Total | Federal | State | County | Other 1/ |
| 1 CHILD SUPPORT PROGRAM COLLECTIONS | 2,258,483 | 355,960 | 348,183 | 39,359 | 1,514,981 | 2,327,752 | 396,464 | 385,052 | 42,614 | 1,503,622 | -69,269 | -40,504 | -36,869 | -3,255 | 11,359 |
| 2 Child Support Assistance Collections | 743,502 | 355,960 | 348,183 | 39,359 | 0 | 824,130 | 396,464 | 385,052 | 42,614 | 0 | -80,628 | -40,504 | -36,869 | -3,255 | 0 |
| 3 Basic Collections | 684,385 | 327,657 | 320,499 | 36,229 | 0 | 767,120 | 369,004 | 358,388 | 39,728 | 0 | -82,735 | -41,347 | -37,889 | -3,499 | 0 |
| 4 State Investment Funds Project | 2,461 | 1,179 | 1,152 | 130 | 0 | 2,461 | 1,184 | 1,150 | 127 | 0 | 0 | -5 | 2 | 3 | 0 |
| 5 FTB NonTax Collections Program | 56,586 | 27,091 | 26,499 | 2,996 | 0 | 52,056 | 25,040 | 24,320 | 2,696 | 0 | 4,530 | 2,051 | 2,179 | 300 | 0 |
| 6 Noncustodial Parent Demonstration Project | 0 | 0 | 0 | 0 | 0 | 2,493 | 1,236 | 1,194 | 63 | 0 | -2,493 | -1,236 | -1,194 | -63 | 0 |
| 7 Fathers, Families, and Communités Demo Project | 70 | 33 | 33 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 33 | 33 | 4 | 0 |
| 8 Child Support NonAssistance Collections | 1,356,913 | 0 | 0 | 0 | 1,356,913 | 1,343,740 | 0 | 0 | 0 | 1,343,740 | 13,173 | 0 | 0 | 0 | 13,173 |
| 9 Basic Collections | 1,309,942 | 0 | 0 | 0 | 1,309,942 | 1,303,371 | 0 | 0 | 0 | 1,303,371 | 6,571 | 0 | 0 | 0 | 6,571 |
| 10 State Investment Funds Project | 1,194 | 0 | 0 | 0 | 1,194 | 1,194 | 0 | 0 | 0 | 1,194 | 0 | 0 | 0 | 0 | 0 |
| 11 FTB NonTax Collections Program | 45,777 | 0 | 0 | 0 | 45,777 | 39,175 | 0 | 0 | 0 | 39,175 | 6,602 | 0 | 0 | 0 | 6,602 |
| 12 Noncustodial Parent Demonstration Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 Fathers, Families, and Communités Demo Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Child Support Other Collections | 158,068 | 0 | 0 | 0 | 158,068 | 159,882 | 0 | 0 | 0 | 159,882 | -1,814 | 0 | 0 | 0 | -1,814 |
| 15 \$50 State Disregard Payments to Families | 28,010 | 0 | 0 | 0 | 28,010 | 28,010 | 0 | 0 | 0 | 28,010 | 0 | 0 | 0 | 0 | 0 |
| 16 Collections for Other States - Assistance | 19,635 | 0 | 0 | 0 | 19,635 | 22,033 | 0 | 0 | 0 | 22,033 | -2,398 | 0 | 0 | 0 | -2,398 |
| 17 Collections for Other States - NonAssistance | 110,423 | 0 | 0 | 0 | 110,423 | 109,839 | 0 | 0 | 0 | 109,839 | 584 | 0 | 0 | 0 | 584 |

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

**CHILD SUPPORT TOTAL PROJECTED DISTRIBUTED COLLECTIONS
FOR FISCAL YEARS 2000-01 and 2001-02
MAY 2001 REVISE**

The charts below display California's current year (CY) 2000-01 and budget year (BY) 2001-02 child support total collections that are distributed to the state as revenue (**Assistance**), to the families (**NonAssistance**), and to other states and to families for the \$50 state disregard payments (**Other**).

- **Assistance Collections (\$685 million CY, \$744 million BY)** are revenue to the state, which reflects basic collections and new premises. Basic collections (\$628 million CY, \$684 million BY) are the ongoing efforts of the local child support agencies (LCSA) to collect child support payments from noncustodial parents. New premises (\$57 million CY, \$59 million BY) are those collections that are associated with new enforcements activities that are above the basic ongoing functions of the LCSA, such as Franchise Tax Board non-tax collections, and demonstration projects.
- **NonAssistance Collections (\$1.2 billion CY, \$1.4 billion BY)** are collections that are made on behalf of families and sent to them. These collections are comprised of basic collections (\$1.2 billion CY, 1.4 billion BY) and new premises (\$44 million CY, and \$47 million BY).
- **Other Collections (\$146 million CY, \$158 million BY)** are comprised of assistance (\$18 million CY, \$20 million BY) and nonassistance (\$98 million CY, \$110 million BY) collections that are made on behalf of other states. Other collections also include the \$50 State Disregard Payment to families (\$30 million CY, \$28 million BY), which is the first \$50 of the current months child support payments collected and passed through to the custodial parents who are receiving assistance.



**CHILD SUPPORT TOTAL DISTRIBUTED COLLECTIONS
TREND ANALYSIS
MAY 2001 REVISE**

Total child support collections have grown from \$1.2 billion in Fiscal Year (FY) 1996-97 to a projected level of \$2.3 billion in FY 2001-02. This represents a 89 percent overall growth rate.

The chart below reflects the actual and projected total basic collections and percentage increase by state fiscal years from 1995-96 to 2001-02.

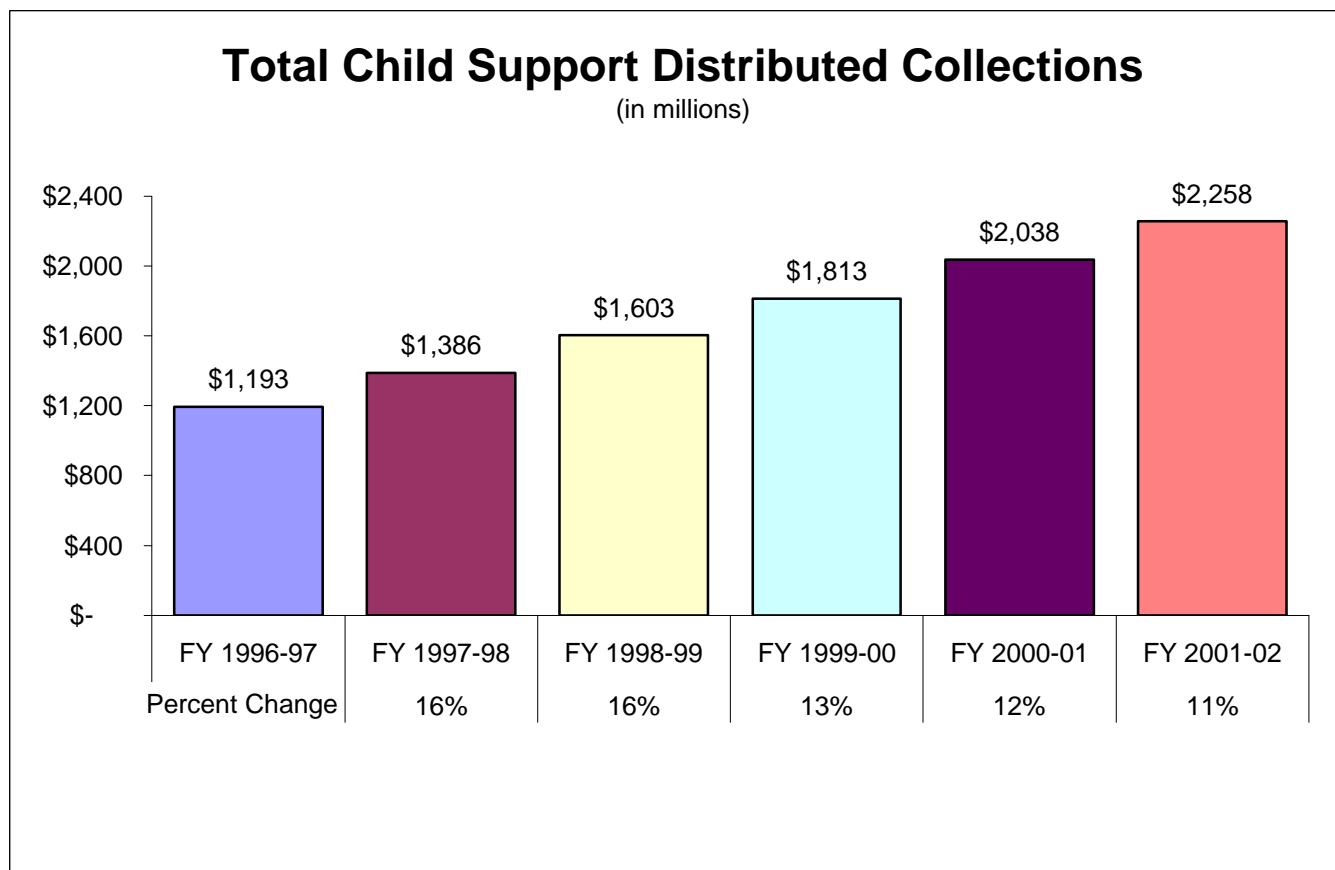


CHART 2

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Local Child Support Agency Basic Costs

DESCRIPTION:

This premise reflects funds for the Local Child Support Agency (LCSA) basic administration and Electronic Data Processing (EDP) maintenance and operations (M&O) costs.

Child support administration costs are comprised of county staff and overhead. The LCSA staff carry out the Child Support Enforcement Program under Title IV-D of the Social Security Act. Their administrative duties include case intake and development, collection and distribution of child support, court preparation to establish paternity and support obligations, and the enforcement of support obligations, including locating absent parents.

The EDP M&O funding enables the LCSA to continue their work in collecting child support in their respective counties.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code (FC) section 17710(a), and Welfare and Institution Code section 10085(a).

METHODOLOGY:

Administration:

- For Fiscal Year (FY) 2000-01, the estimated LCSA administration costs of \$697,398,000 was based on the child support 13.6 percent incentive pool, pursuant to FC 17704 (b) (B) (i), less the EDP M&O costs and information provided through individual county funding request and approval process. An adjustment was made to reduce the amounts for the county share of State Investment Funds, San Mateo Demonstration Project, and Urban Hispanic Outreach Project premises. Additionally, the federal share was reduced by the Federal Parent Locator Services (FPLS) fees, \$357,000, which is not eligible for federal financial participation.
- For FY 2001-02, the administration costs of \$795,092,000 was based on the child support 13.6 percent incentive pool, pursuant to FC section 17704 (b) (B) (i), less the EDP M&O costs. An adjustment was made to reduce the amounts for the county share of State Investment Funds, San Mateo Demonstration Project, and Urban Hispanic Outreach Project premises. The federal share was reduced by the FPLS fees, \$412,000 which is not eligible for federal financial participation.

EDP M&O:

- For FY 2000-01, the LCSAs' EDP M&O costs of \$98,180,000 was based on information provided through the individual county funding request and approval process.
- For FY 2001-02, the LCSA's EDP M&O costs of \$108,754,000 was based on information provided through the individual county funding request and approval process with further adjustments made by the department after critical analysis had been done.

Local Child Support Agency Basic Costs

METHODOLOGY (Continued):

Basic Costs:

- The combined total of Administration and EDP M&O for FY 2000-01 is \$795,578,000 and for FY 2001-02 is \$903,846,000.

FUNDING:

The total costs are shared 66 percent federal and 34 percent county. The 34 percent county share is subsidized with the federal and state incentives earned from the State's total distributed collections as established pursuant to the funding provisions of FC section 17704 (b) (B) (i).

CHANGE FROM NOVEMBER:

For FY 2000-01, the increase is due to the change in the federal incentives assumptions.

For FY 2001-02, the decrease is due to the reduction in the 13.6 percent incentive pool that reflect a reduced amount of projected collections compared to November.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2001-02 increase is due to the increase in the 13.6 percent incentive pool, which resulted from growth in the estimated distributed collections from year to year.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$795,578 | \$903,846 |
| Federal | 524,960 | 596,738 |
| State | 0 | 0 |
| County | 270,618 | 307,108 |
| Reimbursements | 0 | 0 |

EDP Conversion and Enhancements

DESCRIPTION:

This premise reflects the costs associated with converting counties from existing legacy systems to one of the four, out of a total of six, approved consortia systems, and implementing enhancements to existing county child support automation systems. If it is determined necessary, Assembly Bill (AB) 150 (Chapter 479, Statutes of 1999) requires the local child support agencies to modify their current automation systems or change to a different system in order to meet the goal of statewide automation.

The California Department of Child Support Services (DCSS) is responsible for ensuring all counties will have an automation system that will allow them to continue their child support services while the single statewide automated child support system is being developed and implemented.

The Statewide Automated Child Support System (SACSS), previously under development to comply with federal requirements, was terminated in November 1997. Cancellation of SACSS created a necessity for the State to implement interim alternative solutions to meet state and federal requirements. Counties had postponed implementing enhancements to their existing county systems in anticipation of SACSS. Some counties must now enhance existing systems, or convert to one of four, out of the six, approved consortia systems, in order to continue operating the child support enforcement program during this interim period.

IMPLEMENTATION DATE:

This premise was implemented on April 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution (W&I) Code Section 10085
- The funding assumptions for Fiscal Year (FY) 2000-01 and FY 2001-02 are consistent with W&I Code 10085 and reflect the State sharing in the counties' cost to meet mandated requirements and to convert to viable systems.

EDP Conversion and Enhancements

KEY DATA/ASSUMPTIONS (continued):

Conversions

- Effective July 1, 2000, the federal government recognized BEST and CHASER as approved interim child support systems. Seven counties will remain on these systems until the single statewide system is developed; no new counties will be added to these two Consortia. The remaining counties that need to move to an interim child support system will convert to one of the original four federally approved consortia systems. In total, the federal and state governments recognize six approved interim consortia systems:
 - Computer Assisted Support Enforcement System (CASES);
 - Support Through Automated Resources/Keeping Integrated Data on System (STAR/KIDS);
 - Automated Child Support Enforcement System (ACSES) Replacement System (ARS);
 - KIDZ;
 - Best Enforcement Support Technology (BEST); and
 - Computer Has All Support Expertise Required (CHASER).
- Based on the current conversion schedules, the majority of remaining conversion costs will occur in FY 2000-01 with minor conversion costs occurring in FY 2001-02.
- Costs include expenses incurred by the county and/or the consortia to convert a county from its existing legacy system to one of the original four federally approved consortia systems. Total funding request for conversion activities equal \$20,176,000 for FY 2000-01 and \$9,750,000 for FY 2001-02.

Enhancements

- Enhancements needed for federal and state mandates, and other business needs, are included in this premise. Total funding request for enhancement activities equal \$7,142,000 for FY 2000-01 and \$8,512,000 for FY 2001-02.

EDP Conversion and Enhancements

METHODOLOGY:

- The data for this estimate are from the following sources:
 - County input and surveys provided system enhancements and updated cost estimates for FY 2000-01 enhancements. Enhancement estimates for FY 2001-02 are based on historical experience gained from previous county input.
 - All conversion estimates (conversion, data cleanup, and training) for FYs 2000-01 and 2001-02 are based on historical experience gained from previous conversions, and county input.

FUNDING:

Costs for this premise are shared 66 percent federal and 34 percent General Fund (GF). However, the Administration of Children and Families (ACF) subsequently determined that although certain enhancements must be completed they were not eligible for Federal Financial Participation (FFP). The enhancement requests for FY 2000-01 were prioritized based on the criticality of each project within the authorized GF and approved FFP levels. Funding for those costs associated with enhancements denied by ACF would be 100 percent GF.

CHANGE FROM NOVEMBER:

This estimate has been revised for FYs 2000-01 and 2001-02 to more accurately reflect costs expected for enhancements and conversions based on the pending Advanced Planning Document Update to be submitted on May 15, 2001.

REASON FOR YEAR-TO-YEAR CHANGE:

- FY 2001-02 decreases as a result of the majority of conversion costs will occur in FY 2000-01.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$27,317 | \$18,262 |
| Federal | 16,802 | 11,379 |
| State | 10,515 | 6,883 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

California Arrearage Management Project – County Costs

DESCRIPTION:

This premise reflects the local child support agency costs arising from implementation of the California Arrearage Management Project (CAMP). This will enable the local agencies to provide Franchise Tax Board (FTB) with the additional information required for this program.

Assembly Bill 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999) requires FTB to manage the accounts receivable resulting from all child support delinquencies more than 60 days in arrears and more than \$100. CAMP is the technology solution to achieve the legislative mandate.

Title IV-D funding was denied for this project in October 2000. Subsequent to the denial of federal funding, FTB is proposing an alternate solution.

IMPLEMENTATION DATE:

The implementation date is to be determined.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Family Code section 17500 and Revenue and Taxation Code section 19271.

METHODOLOGY:

- The Fiscal Year (FY) 2000-01 appropriation was based on the assumption that data may reside on one or more platforms such as PCs, mainframes, or Unix systems, and may reside on multiple tables or files.
- The funding level was also based on FTB's experience with systems modifications similar to those that FTB anticipates the local agencies will have to make.
- The Title IV-D federal funding was denied for this project effective October 2000.

FUNDING:

The Title IV-D federal funds was denied for this project.

CHANGE FROM NOVEMBER:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

California Arrearage Management Project – County Costs

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$0 | \$0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Interim Access Federal Case Registry

DESCRIPTION:

This premise reflects the costs to fund reprogramming by three of the lead consortium local child support agencies to access the Federal Case Registry (FCR) until the State Case Registry (SCR) can be fully developed and implemented as part of the new statewide system. The interim system is an alternate way to access the FCR to obtain timely employer data on non-custodial parents who are newly employed outside of California and to identify case members in common with other states.

The SCR and the FCR were mandated by Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The SCR to FCR interface is an automated process that allows for the exchange of transactions concerning IV-D cases and non IV-D orders.

This premise also funds the local child support agency costs for sending out the family violence indicator notices to custodial and non-custodial parents to identify victims or potential victims of family violence. Restrictions are placed on the release of information from the FCR on those members coded for family violence.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Public Law 104-193 and Welfare and Institution Code section 16576.
- The notices (letter and questionnaire) for the Family Violence Indicator will be sent out to custodial and non-custodial parents. The costs for each of the notices include paper costs of \$0.0035, an envelope cost of \$0.024, and a first-class postage cost of \$0.33.
- The case count (1,966,085) is based on the Child Support Audit System report.
- Majority of counties will implement the mail notices in FY 2000-01.

METHODOLOGY:

- For Fiscal Year (FY) 2000-01, the funding level for the total reprogramming costs of \$378,000 was based on approved funding for three of the lead consortium local agencies: Alameda (\$52,800), Los Angeles (\$200,000), and Riverside (\$125,000).
- The Family Violence Indicator notice and mailing costs of \$1,174,000 were based on cost information provided by San Francisco, which is one of the two pilot local child support agencies that implemented in Fiscal Year 1999-00. The funding level for FY 2000-01 is \$1,174,000 and for FY 2001-02 is \$249,000.
- The case count was approximately doubled to assume that each custodial and non-custodial parent in a case would receive the notice.

Interim Access Federal Case Registry

FUNDING:

- This premise is funded with 66 percent federal Title IV-D funds and 34 percent State General Fund.

CHANGE FROM NOVEMBER:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease cost in FY 2001-02 is due to no reprogramming cost and majority of counties will implement and mail the notices in FY 2000-01.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$1,552 | \$249 |
| Federal | 1,024 | 164 |
| State | 528 | 85 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Backfill the Loss of Federal Financial Participation for County Automation

DESCRIPTION:

This premise provides General Fund (GF) to replace the loss of Federal Financial Participation (FFP) in FY 2000-01 for nine local child support agencies (LCSA) that are without federally approved Advanced Planning Documents as a result of the termination of the Statewide Automated Child Support System (SACSS) project in November 1997. In FY 2001-02, GF will be provided for three LCSA that are without FFP as a result of not being converted prior to the required date of August 31, 2001, which was set by the Administration for Children and Families (ACF). The federal government has agreed to provide Electronic Data Processing (EDP) maintenance & operations (M&O) funding for these LCSA once they convert to a federally approved interim consortia system.

Additionally, two other LCSAs will not be eligible for FFP for their rehosting efforts from operating their child support enforcement system through their local county information technology departments to the California Health and Human Services Agency Data Center (HHSDC). Although these two LCSA counties operate on one of the four federally approved systems (CASES), the two LCSAs must return to the "core" version prior to rehosting to HHSDC. The activity directly related to reverting back to the "core" version of CASES will not be eligible for FFP.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code section 10087.
- For FY 2000-01, expenditures for the nine LCSA EDP M&O (Calaveras, Glenn, Humboldt, Madera, San Benito, San Diego, San Joaquin, Tuolumne, and Yuba) are not eligible for FFP. This will result in a total reduction of federal funds and a corresponding increase in GF in the amount of \$3,496,000.
- For FY 2001-02, expenditures for the five LCSA EDP M&O (Fresno, Orange, San Diego, Sonoma and Santa Clara) are not eligible for FFP. The activities specific to these counties will result in a total reduction of federal funds and a corresponding increase in GF in the amount of \$1,943,000.

Backfill the Loss of Federal Financial Participation for County Automation

METHODOLOGY:

The funding level for three of the LCSAs converting to a federally approved consortia system was based upon each county's projected yearly EDP M&O, and then divided by the number of months each LCSA would remain on their legacy system during FY 2000-01 and FY 2001-02. The two additional LCSAs projected costs were based upon their funding needs related to returning to the "core" version of the CASES system.

FUNDING:

All costs are 100 percent GF with a corresponding reduction to the federal share of the designated child support EDP M&O premise.

CHANGE FROM NOVEMBER:

There is no change in FY 2000-01.

For FY 2001-02, the decrease is a result of six LCSAs converting by the required August 31, 2001 date, as set by ACF.

REASON FOR YEAR-TO-YEAR CHANGE:

The decreased costs in FY 2001-02 is a result of fewer LCSAs requiring replacement of lost FFP.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$0 | \$0 |
| Federal | -3,496 | -1,943 |
| State | 3,496 | 1,943 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Public Law 105-200 Alternative Federal Penalty

DESCRIPTION:

This premise reflects the alternative federal penalty for failure to complete the Statewide Automated Child Support System (SACSS) by the required date.

Due to the failure of SACSS, the Department became subject to federal fiscal penalties. Pursuant to Public Law 105-200, The Child Support Performance and Incentive Act of 1998, allows the Secretary of the Department of Health and Human Services to waive current penalties and impose an alternative penalty if states have made good faith efforts to meet the federal automation requirements.

Under the alternative penalty, the Department is penalized four percent of federal Child Support Enforcement Program administrative funds for Federal Fiscal Year (FFY) 1998, eight percent for FFY 1999, 16 percent for FFY 2000, 25 percent for FFY 2001, and 30 percent for FFY 2002 and each subsequent year, until the requirements are met.

IMPLEMENTATION DATE:

This premise was implemented in State Fiscal Year (SFY) 1999-00.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10088(a).
- The FFY 1998 federal penalty imposed is based on the FFY 1997 administrative cost (\$299,102,000).
 - The FFY 1998 federal penalty rate is four percent.
- The FFY 1999 federal penalty imposed is based on the FFY 1998 administrative cost (\$336,854,000).
 - The FFY 1999 federal penalty rate is eight percent.
- The FFY 2000 federal penalty imposed is based on the FFY 1999 administrative cost (\$406,251,000).
 - The FFY 2000 federal penalty rate is 16 percent.
- The FFY 2001 federal penalty imposed is based on the FFY 2000 administrative cost (\$443,897,000).
 - The FFY 2001 federal penalty rate is 25 percent.

Public Law 105-200 Alternative Federal Penalty

KEY DATA/ASSUMPTIONS (continued):

- The FFY 2002 federal penalty imposed is based on an estimated FFY 2001 administrative cost (\$506,590,000), which was developed by applying a 14.1 percent growth rate to the FFY 2000 administrative expenditures.
 - The FFY 2002 federal penalty is 30 percent.
 - The 14.1 percent growth rate was based on an average of the administrative expenditures between FFY 1997 through FFY 2000.

METHODOLOGY:

- The SFY 2000-01 penalty estimated to be \$110,997,000 reflects the federal penalty imposed for FFY 2001. This was calculated by applying the FFY 2001 penalty rate of 25 percent against the FFY 2000 administrative expenditures of \$443,987,000.
- The SFY 2001-02 penalty estimated to be \$151,997,000 reflects the federal penalty for FFY 2002. This was calculated by applying a 14.1 percent growth rate to the estimated FFY 2000 administrative expenditures resulting in an estimated FFY 2001 administrative expenditures of \$506,590,000. This was then multiplied by the FFY 2002 penalty rate of 30 percent.

FUNDING:

These costs are funded with 100 percent State General Fund.

CHANGE FROM NOVEMBER:

The SFY 2000-01 and SFY 2001-02 was revised based on updated actual administrative costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The penalty imposed in SFY 2001-02 is higher based on a higher penalty rate imposed and an estimated growth in administrative expenditures.

Public Law 105-200 Alternative Federal Penalty

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$0 | \$0 |
| Federal | -110,997 | -151,977 |
| State | 110,997 | 151,977 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

SACSS Closeout Audit

DESCRIPTION:

This premise reflects the costs claimed and disallowed for 90 percent enhanced federal financial participation (FFP), which reverted to the regular 66 percent FFP based on the Statewide Automated Child Support Systems (SACSS) closeout audit. Also included are costs determined not to be eligible for any FFP.

The Office of Child Support Enforcement (OCSE) has conducted a financial closeout review of the SACSS automation project. The purpose of the review was to determine the eligibility of the costs claimed at the enhanced FFP match. The State is liable to reimburse the federal government the difference between the enhanced and the regular match rates for costs determined to be ineligible at the enhanced rate

IMPLEMENTATION DATE:

This premise was implemented on January 1, 2001.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institution Code section 10087.

METHODOLOGY:

The audited amount imposed is based on correspondence received from OCSE, dated January 4, 2001, as a result of their findings. The federal findings included costs ineligible for enhanced match funds as well as contract costs determined to be ineligible for any federal participation.

FUNDING:

This is funded at 100 percent General Fund.

CHANGE FROM NOVEMBER:

This premise was updated based on actual costs.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no cost in State Fiscal Year 2001-02.

SACSS Closeout Audit

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$0 | \$0 |
| Federal | -16,504 | 0 |
| State | 16,504 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Compliance Review Project

DESCRIPTION:

This premise provides funding for the county administrative costs associated with conducting self-reviews of the local child support agency's program compliance.

The federal Family Support Act of 1988 (Public Law 100-485) required states to meet specific Child Support Enforcement Program performance standards. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Section 342 (Public Law 104-93), requires states to conduct an annual self-assessment of program compliance. Further, Family Code Section 17702 (a) requires the California Department of Child Support Services (DCSS), on at least an annual basis, to assess each county's program compliance, using a statistically valid sample of cases and based on reviews conducted by the state or county, as determined by DCSS. Under Family Code Section 17710 (b), the State pays the nonfederal share of county administrative costs to conduct self-reviews, to implement corrective actions, to update procedures, to oversee ongoing compliance activity and to participate in training as appropriate. As of the current fiscal year, 52 counties have elected to conduct their own reviews.

In addition, this premise reflects funds for an internet based review tool, Child Support Electronic Compliance Review (CSECR) program. This review tool will allow the 52 self-review counties to compile, to compute, and to develop a report on the data from the reviews.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1992.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code sections 17702(a) and 17710(b).
- The county administrative cost of \$3,723,400 was based on the counties' approved FY 1993-94 county plans. Effective in FY 1999-00, the administrative funds were increased by the cost-of-doing-business (CODB) rates from FYs 1993-94 through 1998-99. This increase in funding allowed the expansion of the program to additional counties.
- The CODB percentages are:

| | | | |
|------------|------|------------|------|
| FY 1993-94 | 2.4% | FY 1998-99 | 2.3% |
| FY 1994-95 | 1.1% | FY 1999-00 | 3.9% |
| FY 1995-96 | 1.1% | FY 2000-01 | 3.9% |
| FY 1996-97 | 1.1% | FY 2001-02 | 2.5% |
| FY 1997-98 | 2.3% | | |

Compliance Review Project

METHODOLOGY:

- The CODB rates from FYs 1993-94 through 2001-02 were applied to the FY 1993-94 level of funding.
- The projected funding levels will be \$4,441,000 for FY 2000-01, and \$4,561,000 for FY 2001-02. An additional \$97,000 was added to each fiscal year for the implementation cost of CSECR.

FUNDING:

The cost is funded with 66 percent federal Title IV-D funds and 34 percent State General Fund.

CHANGE FROM NOVEMBER:

There is no change in FY 2000-01. The increase cost for FY 2001-02 is due to updating CODB.

REASON FOR YEAR-TO-YEAR CHANGE:

The CODB was applied to FY 2001-02.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$4,538 | \$4,658 |
| Federal | 2,995 | 3,074 |
| State | 1,543 | 1,584 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

State Investment Funds Project

DESCRIPTION:

This premise reflects the administrative costs and identifies the increased collections associated with counties who implement new projects or enhance existing child support collections processes.

Family Code section 17700 provides appropriation authority, as needed, for the investment of up to \$20 million from the State General Fund for county-operated child support activities. These special projects stimulate growth in funds collected. For this premise, to the extent that counties implement new or enhanced processes that directly result in increased child support collections, matching federal funds are also available.

There are two options of investment available to counties. The loan method, supported by only state and federal funds, requires that the amount of increased assistance collections generated be greater than the projected funds invested by the State. Counties through reduction of their incentive payments will reimburse collection shortages. The second method requires the county to match state dollars invested at the rate of \$0.50 for every state dollar; however, no repayment is mandated if collection amounts do not reach anticipated levels.

IMPLEMENTATION DATE:

This premise was implemented on December 1, 1992.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code section 17700.
- Each participating county provided the projected cost and collections for the project to the Child Support Program Improvement Unit. The estimated administrative cost and collections are the sum total of these projected costs and collections.

METHODOLOGY:

- Fiscal Year (FY) 2000-01 administration costs are based on approved county project requests for Merced County under the match method, and Kings and Santa Clara counties under the loan method. These project costs are scheduled in the county administration section of this premise.
- Collections for both FYs 2000-01 and 2001-02 are based on approved county project requests for Merced, Kings, and Santa Clara counties. The county estimates its annual baseline collection level without state investment funds. The county then estimates a second enhanced collection level, which is due to state investment funds. The difference between the baseline and enhanced collection levels is the estimated total collections that are attributable to federal, state and county project funds invested. The total investment will produce additional assistance and nonassistance collections, as estimated by the participating county. The projected assistance collection increase is scheduled according to federal, state and county sharing ratios in the grant section of this premise.

State Investment Funds Project

METHODOLOGY (continued):

- The FY 2001-02 estimated administrative costs and collections were held at the FY 2000-01 level.

FUNDING:

For the county administration section of this premise, the Merced County project is funded by the match method, which is currently shared 66 percent federal, 22.7 percent state, and 11.3 percent county. The 11.3 percent county share is subsidized with the federal and state incentives earned from the State's total distributed collections as established pursuant to the funding provisions of Family Code section 17704.

Kings and Santa Clara counties' projects are funded by the loan method, which are funded 66 percent federal and 34 percent state. The assistance/foster care (FC) collections are shared based on the Federal Medical Assistance Percentage (FMAP). These percentages are reflected below:

| <u>ASSISTANCE:</u> | July 2000 – Sept. 2000 | Oct. 2000 – Sept. 2001 | Oct. 2001-June 2002 |
|--------------------|------------------------|------------------------|---------------------|
| Federal | 51.67% | 51.25% | 51.40% |
| State | 45.91% | 46.31% | 46.17% |
| County | 2.42% | 2.44% | 2.43% |

ASSISTANCE

Nonfederal:

| | |
|---------|--------|
| Federal | 0.00% |
| State | 95.00% |
| County | 5.00% |

| <u>Foster Care (FC):</u> | Oct. 1999 – Sept. 2000 | Oct. 2000 – Sept. 2001 | Oct. 2001-June 2002 |
|--------------------------|------------------------|------------------------|---------------------|
| Federal | 51.67% | 51.25% | 51.40% |
| State | 19.33% | 19.50% | 19.44% |
| County | 29.00% | 29.25% | 29.16% |

FC Nonfederal:

| | |
|---------|--------|
| Federal | 0.00% |
| State | 40.00% |
| County | 60.00% |

State Investment Funds Project

CHANGE FROM NOVEMBER:

There is no change in the administrative cost for FY 2000-01. The collections sharing distribution changed slightly due to the FMAP.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

| | 2000-01 | | 2001-02 | |
|----------------|-------------|-------------|-------------|-------------|
| | Collections | LCSA Admin. | Collections | LCSA Admin. |
| Total | | \$1,465 | \$2,461 | \$1,465 |
| | \$2,461 | | | |
| Federal | 1,179 | 967 | 1,179 | 967 |
| State | 1,152 | 458 | 1,152 | 458 |
| County | 130 | 40 | 130 | 40 |
| Reimbursements | 0 | 0 | 0 | 0 |
| NonAssistance | 1,194 | | 1,194 | |

Health Insurance Incentives

DESCRIPTION:

This premise reflects the \$50 administrative incentive payment to the counties' Title IV-D program for identifying and obtaining third-party health coverage or insurance of beneficiaries available through non-custodial parents' health benefit plans.

Pursuant to Welfare and Institution Code section 14124.93, the Department of Child Support Services shall provide payments to the local child support agency (LCSA) of \$50 per case for obtaining third-party health coverage or insurance for applicants or recipients of Title IV-D services. A \$50 administrative incentive payment is paid once the health insurance coverage is obtained by the LCSA and the California Department of Health Services (CDHS) has been notified.

Health insurance includes medical, dental and vision coverage. Costs recovered through the health insurance coverage for Temporary Assistance For Needy Families (TANF)/Medi-Cal recipients are used to offset the costs of Medi-Cal benefits. Health insurance coverage for non-TANF cases results in cost avoidance of Medi-Cal expenditures. CDHS separately estimates budget savings related to this premise.

IMPLEMENTATION DATE:

This premise was implemented on October 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14124.93.
- Calendar Year 1999 actual expenditures were \$1,953,850.
- Calendar Year 2000 actual expenditures were \$2,087,500.
- The year-to-year expenditure growth rate between Calendar Years 1999 and 2000 was 6.84 percent.

METHODOLOGY:

- The FY 2000-01 estimate includes actual expenditure data through December 2000. Expenditure ratios from FY 1999-00 were applied to FY 2000-01 to forecast the March 2001 and June 2001 quarters. These were added to actual expenditure data to forecast FY 2000-01.
- FY 2001-02 funding was increased by 6.84 percent from the FY 2000-01 projection.

FUNDING:

Costs for this premise are funded with 100 percent State General Fund.

Health Insurance Incentives

CHANGE FROM NOVEMBER:

Expenditure data and growth rates were updated based on the most recent actuals and a new projected year-to-year growth rate.

REASON FOR YEAR-TO-YEAR CHANGE:

Updated forecast based on most recent actuals and new projected year-to-year growth rate.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$2,193 | \$2,343 |
| Federal | 0 | 0 |
| State | 2,193 | 2,343 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Non-Custodial Parent Demonstration Project

DESCRIPTION:

This premise displays the estimated local assistance costs of the Non-Custodial Parent (NCP) Demonstration Project. Section 365 of the federal welfare reform law (Public Law 104-193) entitled "Work Requirements for Persons Owning Past-Due Child Support," mandates that states adopt laws requiring individuals to participate in work activities as the court deems appropriate. Since January 1, 1997, state law (section 3558 of the Family Code) permits judges to order NCPs who have children receiving Temporary Assistance for Needy Families (TANF) Program benefits and who are appearing before the court due to the nonpayment of child support to attend job training and seek job placement and vocational rehabilitation services.

The California Department of Social Services (CDSS) had proposed pilot projects in 14 counties in which seven were implemented, and the other seven delayed, for a period of three years to determine whether providing enhanced services to nonpaying NCPs would increase child support collections. The project involves a cooperative effort at the State and local levels between the contractor, the local child support agency, the county welfare office, California Department of Child Support Services (DCSS), CDSS, and the Employment Development Department.

Family Code 17211 enacted by (Chapter 480, Statutes of 1999), transferred responsibility for the NCP Project to the DCSS, although it allowed the DCSS to contract with CDSS for development and implementation of the projects until fully implemented. Contracts for evaluations of the Phase I projects will continue to be maintained by CDSS.

IMPLEMENTATION DATE:

Implementation of the project takes place in two phases. Phase I (Contra Costa, Los Angeles, Napa, San Benito, San Francisco, Santa Barbara, and Santa Clara counties) implemented in December 1998.

Phase II will be implemented in Fiscal Year 2001-02 under the purposed premise Fathers, Families, and Communities Demonstration Project.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code section 18205.5.
- The pilot projects may provide the following services: job search, vocation-specific education and training, intensive case management, transportation and other supportive services.

Child Support Administration

- The Title IV-D administrative funding for FY 2000-01 was held at the Appropriation level.
- The average annual administrative cost for Title IV-D activities is \$850 per participant.
- The Phase I counties end June 2001 instead of December 2001.

Non-Custodial Parent Demonstration Project

KEY DATA/ASSUMPTIONS (continued):

- The number of participants varies depending upon the county. Statewide, the anticipated annual number of participants for Phase I is 2,195 for FY 2000-01.
- The TANF administration funding for employment services for FY 2000-01 is displayed in the CDSS local assistance budget.

Child Support Collections

- It is assumed there will be 2,567 “smokeouts” from Phase I in FY 2000-01. “Smokeouts” are NCPs who are working and have not previously reported their income to child support officials, or they are NCPs who obtain jobs on their own as a result of a demonstration enforcement action (letter, contempt order) prior to being enrolled in the project.
- The lag time for “smokeouts” is assumed to be two months in order to modify the support order.
- A six-month lag time is assumed before collections will occur because the average time in employment training is four months, and it takes approximately two months to have a support order modified.
- Based on Los Angeles County’s experience with Parents’ Fair Share Demonstration Project, the following is assumed: 36.1 percent of the participants will pay child support after going through employment training; the average length of time paying child support is 18 months; and, the average monthly child support paid is \$91.

METHODOLOGY:

Administration Cost

- The Title IV-D administration funding for FY 2000-01 was held at the Appropriation level.

Child Support Collections

- The projected child support collections are based on estimates of Phase I participants and “smokeouts” from the participating counties.
 - For FY 2000-01, the estimated collections of Phase I participants are \$808,000 and “smokeouts” are \$1,093,000. This results in a combined total of \$1,901,000.

Non-Custodial Parent Demonstration Project

FUNDING:

The project is funded with Title IV-D funds, with anticipated federal, state and county savings. The Title IV-D eligible activities are funded with 66 percent federal Title IV-D and 34 percent State General Fund. The assistance collections are shared based on the Federal Medical Assistance Percentage. These percentages are reflected below:

| <u>ASSISTANCE:</u> | July 2000 – Sept. 2000 | Oct. 2000 – Sept. 2001 | Oct. 2001-June 2002 |
|--------------------|------------------------|------------------------|---------------------|
| Federal | 51.67% | 51.25% | 51.40% |
| State | 45.91% | 46.31% | 46.17% |
| County | 2.42% | 2.44% | 2.43% |

ASSISTANCE

Nonfederal:

| | |
|---------|--------|
| Federal | 0.00% |
| State | 95.00% |
| County | 5.00% |

The TANF administration funding for employment services for FY 2000-01 is displayed in the CDSS local assistance budget.

CHANGE FROM NOVEMBER:

For FY 2000-01, there is no change in the administration costs. The projected collections funding sharing ratio were updated based on the most recent actuals.

In FY 2001-02 the phase II counties will be funded through the Fathers, Families and Communities Demonstration Project premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This project ends June 30,2001.

Non-Custodial Parent Demonstration Project

EXPENDITURES:

(in 000's)

| | 2000-01 | | 2001-02 | |
|----------------|-------------|----------------|-------------|----------------|
| | Collections | LCSA Admin. | Collections | LCSA Admin. |
| Total | \$1,901 | \$2,894 | \$0 | \$0 |
| Federal | 910 | 1,910 | 0 | 0 |
| State | 890 | 984 | 0 | 0 |
| County | 101 | 0 | 0 | 0 |
| Reimbursements | 0 | 0 | 0 | 0 |

Fathers, Families, and Communities Demonstration Project

DESCRIPTION:

This premise will fund the Fathers, Families and Communities Demonstration Projects (FFCDP) to help non-custodial parents support their children. This project had previously been budgeted as the Non-Custodial Parent (NCP) Demonstration Projects for the Phase II counties. The new FFCDP will provide seamless service delivery at the local level through collaboration of county agencies and community- and faith-based organizations. To ensure success of the demonstration projects, the California Department of Child Support Services (DCSS), the California Department of Social Services (CDSS), the California Employment Development Department, and other key state departments will collaborate to design the FFCDP and provide necessary resources and support.

This premise will use welfare-to-work (WtW) match funds to fund the non-Title IV-D activities, e.g., client assessment, employment services, job training, and substance abuse and mental health counseling. The WtW match funds intended for these demonstration projects were previously budgeted in the CDSS budget and now are to be funded in DCSS. This premise will continue to reflect Title IV-D funds and General Fund (GF) match for the Title IV-D child support enforcement activities, which include non-custodial parent location, paternity establishment, establishment of financial and medical support orders, modifications and enforcement of orders, and improved customer service.

This premise also includes an extensive evaluation of the projects to determine the effectiveness of the services provided and potential to become a statewide program.

IMPLEMENTATION DATE:

This premise will implement July 1, 2001.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code section 18205.5.
- The assumptions to estimate administrative costs and collections are based on the assumptions and data used in the NCP Demonstration Project for the Phase II counties.

Child Support Administration

- The Title IV-D administrative funding estimate was developed with a cost per participant, which was based on the NCP Demonstration Project Phase I counties FY 1999-00 caseload and expenditure data applied with a cost of doing business, for FY 2000-01 and for FY 2001-02. The average annual administrative cost for Title IV-D activities is \$850 per participant.

Fathers, Families, and Communities Demonstration Project

KEY DATA/ASSUMPTIONS (continued):

- The estimates also includes Title IV-D funds for start-up costs (\$382,000).
- The number of participants varies depending upon the county. Statewide, the anticipated annual number of participants is 780.
- The administration funding for employment services are funded with WtW match funds.

Child Support Collections

- Based on the NCP Demonstration Project it is assumed there will be 922 ‘smokeouts’. “Smokeouts” are NCPs who are working and have not previously reported their income to child support officials, or they are NCPs who obtain jobs on their own as a result of a demonstration enforcement action (letter, contempt order) prior to being enrolled in the project.
- The lag time for “smokeouts” is assumed to be two months in order to modify the support order.
- A six-month lag time is assumed before collections will occur because the average time in employment training is four months, and it takes approximately two months to have a support order modified.
- Based on Los Angeles County’s experience with Parents’ Fair Share Demonstration Project, the following is assumed: 36.1 percent of the participants will pay child support after going through employment training; the average length of time paying child support is 18 months; and, the average monthly child support paid is \$91.

METHODOLOGY:

The assumptions to estimate administrative costs and collections are based on the NCP Demonstration Project for the Phase II counties.

Administration Cost

- The projected Title IV-D administration costs are based on the average cost per participant (\$850) multiplied by the projected caseload of 780. In addition, \$382,000 was added for Phase II start-up costs.

Child Support Collections

- The projected child support collections are based on estimates of the NCP Demonstration Project Phase II participants and “smokeouts” from the participating counties. The estimated collections for participants are \$45,000 and “smokeouts” are \$25,000. This results in a combined total of \$70,000.

Fathers, Families, and Communities Demonstration Project

FUNDING:

The Title IV-D eligible activities are funded with 66 percent federal Title IV-D and 34 percent State General Fund (SGF). The assistance collections are shared based on the Federal Medical Assistance Percentage. These percentages are reflected below:

| <u>ASSISTANCE:</u> | July 2000 – Sept. 2000 | Oct. 2000 – Sept. 2001 | Oct. 2001-June 2002 |
|--------------------|------------------------|------------------------|---------------------|
| Federal | 51.67% | 51.25% | 51.40% |
| State | 45.91% | 46.31% | 46.17% |
| County | 2.42% | 2.44% | 2.43% |

ASSISTANCE

Nonfederal:

| | |
|---------|--------|
| Federal | 0.00% |
| State | 95.00% |
| County | 5.00% |

The administration funding for non-Title IV-D activities are funded with 100 percent SGF, which are matched to WtW funds.

CHANGE FROM NOVEMBER:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

| | 2000-01 | | 2001-02 | |
|----------------|-------------|-------------|-------------|-------------|
| | Collections | LCSA Admin. | Collections | LCSA Admin. |
| Total | \$0 | \$0 | \$70 | \$4,276 |
| Federal | 0 | 0 | 33 | 689 |
| State | 0 | 0 | 33 | 3,587 |
| County | 0 | 0 | 4 | 0 |
| Reimbursements | 0 | 0 | 0 | 0 |

San Mateo County Non-Custodial Parent Demonstration Project

DESCRIPTION:

This premise reflects the provision of budget authority to San Mateo County to receive the federal funds for the Employment, State Access and Visitation Program. The federal grant was under provisions of Section 469B of Title IV-D of the Social Security Act as amended by Title III of the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104-193).

The purpose of this demonstration project is to test whether or not providing supportive services to non-custodial parents (NCPs) will increase their voluntary child support payments and produce other positive benefits for the family. This is to be accomplished by establishing and administering programs to support and facilitate NCPs' access to and visitation of their children.

IMPLEMENTATION DATE:

This premise was implemented on September 30, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18205.
- This three-year demonstration project was extended through August 31, 2001 by utilizing unspent federal funds.
- The FFY 2000 project cost is \$232,250.
- The FFY 2001 project cost is \$290,021.
- The FFY 2002 project cost is \$24,168.

METHODOLOGY:

- The State Fiscal Year (SFY) 2000-01 four quarters of the unspent federal fund is \$290,021.
- The SFY 2001-02 total estimate reflects the remaining one quarter of the FFY 2002 grant is \$24,168.

FUNDING:

The cost is funded at 66 percent federal Title IV-D funds, 29 percent federal Section 1115 grant, and 5 percent county funds. The five-percent county share is subsidized with the federal and state incentives earned from the State's total distributed collections as established pursuant to the funding provisions of Assembly Bill 1111 (Chapter 147, Statutes of 1999).

San Mateo County Non-Custodial Parent Demonstration Project

CHANGE FROM NOVEMBER:

There is no change in FY 2000-01 or FY 2001-02.

REASON FOR YEAR-TO-YEAR CHANGE:

SFY 2001-02 reflects the remaining one quarter of federal funds.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$290 | \$24 |
| Federal | 276 | 23 |
| State | 0 | 0 |
| County | 14 | 1 |
| Reimbursements | 0 | 0 |

Local Agency Transitions

DESCRIPTION:

This premise provides funds to the local child support agencies for their planning and preparation efforts for the anticipated transition.

Assembly Bill 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999) requires each county to establish a county department of child support services referred to as the local child support agency (LCSA), to which the California Department of Child Support Services (DCSS) has delegated or with which DCSS has contracted, to secure child and spousal support, medical support, and determine paternity in a county pursuant to these provisions.

The LCSA transitions are to begin January 1, 2001, with at least 50 percent of the State cases to be transferred by January 1, 2002, and the remaining cases to be completed by January 1, 2003.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code sections 17304 and 17305.
- It is assumed that each local child support agency needs a transition consultant/planner for planning purposes at an average annual cost of \$50,000.
- It is assumed that all of the LCSAs would have transition costs for a consultant/planner in FY 2000-01 and 32 (Phase 3 plus Kern) LCSAs will have costs in FY 2001-02.

METHODOLOGY:

- The funding level was based on local child support agency response to the Local Agency Transition survey in the FY 2000-01 County Funding Request process.

FUNDING:

The total costs are shared 66 percent federal Title IV-D funds and 34 percent State General Fund.

CHANGE FROM NOVEMBER:

For FY 2000-01, costs decreased because it was assumed no additional funds were needed for signage, forms and letterhead.

For FY 2001-02, costs decreased because fewer counties will transition as well as no additional funds were needed for signage, forms and letterhead.

Local Agency Transitions

REASON FOR YEAR-TO-YEAR CHANGE:

Twenty-six LCSAs will have completed the transitions in FY 2000-01 and the remaining 32 LCSAs will be funded in FY 2001-02.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$2,900 | \$1,600 |
| Federal | 1,914 | 1,056 |
| State | 986 | 544 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Partners For Fragile Families

DESCRIPTION:

This premise reflects the provision of budget authority to Los Angeles County to receive federal funds for the Partners for Fragile Families (PFF) Demonstration Project. The federal grant is under provisions of Sections 454(1) and (2) of Title IV-D of the Social Security Act.

The purpose of the demonstration is to test the value and utility for the Child Support Enforcement Program of certain community-based services for young unmarried fathers to enable them better to provide financial, medical, and emotional support for their children and to encourage the formation or continuation of supportive relationships with the mothers of their children.

IMPLEMENTATION DATE:

This premise was implemented July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code section 18205.
- This is a three-year demonstration project from July 1, 2000 through June 30, 2003.
- The State Fiscal Year (SFY) 2000-01 federal financial participation (FFP) of the project cost is \$350,000.
- The FFP of the project cost for SFY 2001-02 is \$350,000.
- The FFP of the project cost for SFY 2002-03 is \$299,000.
- The 34 percent matching funds are provided by the Ford Foundation.

METHODOLOGY:

- The Administration for Children and Families provided the amount of the FFP in their letter, dated March 29, 2000.

FUNDING:

The cost is funded 66 percent federal Title IV-D funds, and 34 percent matching funds from the Ford Foundation.

CHANGE FROM NOVEMBER:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Partners For Fragile Families

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$350 | \$350 |
| Federal | 350 | 350 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Urban Hispanic Outreach Project

DESCRIPTION:

The purpose of this premise is to fund the Hispanic Outreach project (HOP) evaluation and consultative services.

In September 2000, the California Department of Child Support Services (CDSS) was awarded a federally funded grant from the Office of Child Support Enforcement (OCSE) to perform the Urban Hispanic Outreach Project. The purpose of HOP is to work collaboratively with community and faith-based organizations within the Bell/Bell Gardens and Cudahy communities of Los Angeles County to reach Hispanic customers, both custodial and non-custodial parents. This will help to identify what types of outreach material or forums are best presented to this population, to inform them of available child support services, and to ultimately increase their use of child support services.

IMPLEMENTATION DATE:

This premise was implemented January 1, 2001.

KEY DATA/ASSUMPTIONS:

- Statutory Authority: Welfare and Institution Code section 18205.5
- The evaluation provided by the University of California, Los Angeles will consist of: conducting focus groups, identifying stakeholders and participants, conducting a study on California's Hispanic Child Support population, analyzing the number of paternities, orders and payments, attending all project meetings, tracking program costs, recommending solutions for targeting this population, and for all other research activities.
- Consultative services will be provided by California State University, Chico for the design and production of child support information materials, translation services, temporary in-house coordinator position, attendance at project meetings and recommendation of material needed to target the Hispanic population.
- The fund for this premise will end June 30, 2002.

METHODOLOGY:

- The evaluation component is estimated to be \$100,000, of which \$33,000 will be used in Fiscal Year (FY) 2000-01 and \$67,000 in FY 2001-02.
- The consultative services are estimated to be \$72,000, which \$30,000 will be funded in FY 2000-01 and \$42,000 in FY 2001-02.

Urban Hispanic Outreach Project

FUNDING:

The cost is funded 66 percent federal Title IV-D funds, 29 percent federal Section 1115 grant, and 5 percent county funds. The five-percent county share is subsidized with the federal and state incentives earned from the State's total distributed collections as established pursuant to the funding provisions of Assembly Bill 1111 (Chapter 147, Statutes of 1999).

CHANGE FROM NOVEMBER:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise reflects six months of funding in FY 2000-01 and FY 2001-02 reflects the balance of the grant.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$63 | \$109 |
| Federal | 60 | 104 |
| State | 0 | 0 |
| County | 3 | 5 |
| Reimbursements | 0 | 0 |

Child Support Assurance Demonstration Project Evaluation

DESCRIPTION:

This premise requests the reimbursement authority to fund the costs associated with the evaluation contract for the Child Support Assurance (CSA) Demonstration Project which is budgeted at California Department of Social Services.

Effective January 1, 2001 the California Department of Child Support Services assumed responsibility for the CSA evaluation. The Legislature transferred the CSA Demonstration Project to Department of Child Support Services (DCSS) pursuant to Article 5 (commencing with Section 18241) of Chapter 3.3 of part 6 of the Welfare and Institutions Code and the Family Code Section 17211.

The CSA Demonstration Project tests the idea of providing families, who have child support orders, a guaranteed, minimum monthly child support payment. This project will operate in up to three counties for a three-year implementation. The evaluation will determine if CSA is an effective means to increase the number of families who become economically self-sufficient as a viable financial alternative program to welfare and has the potential to become a statewide program.

IMPLEMENTATION DATE:

This premise was implemented January 1, 2001.

KEY DATA/ASSUMPTIONS:

- Statutory Authority: Welfare and Institution Code sections 18241 through 18247.
- The CSA project period is January 1, 2001 through June 30, 2006.

METHODOLOGY:

- The funding level is based on the proposed budget as submitted by the contractor, Acumen, LLC.

FUNDING:

The cost is 100 percent reimbursed.

CHANGE FROM NOVEMBER:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2001-02 reflects full year costs.

Child Support Assurance Demonstration Project Evaluation

EXPENDITURES:

(in 000's)

| | 2000-01 LCSA Admin. | 2001-02 LCSA Admin. |
|----------------|------------------------|------------------------|
| Total | \$136 | \$500 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 136 | 500 |

Foster Parent Training Fund

DESCRIPTION:

This premise reflects the cost of the Foster Parent Training Fund. Welfare and Institutions Code (W&IC) section 903.7(b) provides that the difference between the net state share of the estimated child support foster care (FC) collections and the base level of the FC estimated state share of total child support collections be transferred to the Foster Parent Training Fund.

The community colleges, in consultation with the California State Foster Parents Association and the California Department of Social Services, conduct the foster parent training programs. Training consists of teaching foster parents subjects including sibling rivalry, reuniting foster children with their parents, foster care regulations and child growth and development.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1981.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 903.7(b).
- The FC estimated state share of collections, based on the sum of the estimated state's share of basic distributed collections and the State's share of all of the child support collections premises, is \$13,391,000 for Fiscal Year (FY) 2000-01, and \$14,527,000 for FY 2001-02.
- The FC estimated state share of incentives is \$4,713,000 for FY 2000-01, and \$5,788,000 for FY 2001-02.
- The FC state share of collections base level cannot exceed \$3,750,000 each year based on the W&IC section 903.7(b).

METHODOLOGY:

- The Foster Parent Training Fund estimate is the difference between the net state share of the estimated FC collections and the base level of the FC estimated state share of total collections. The total estimated state share of FC collections is \$13,391,000 for FY 2000-01, and \$14,527,000 for FY 2001-02.
- The net state shares of FC collections, which are \$8,678,000 for FY 2000-01, and \$8,739,000 for FY 2001-02, are the result of deducting the estimated state shares of FC incentives, which are \$4,713,000 for FY 2000-01, and \$5,788,000 for FY 2001-02, from the State's estimated shares of total FC collections. The State FC base level of \$3,750,000 is then subtracted from the net state share of FC collections to identify the amounts to transfer to the Foster Parent Training Fund, which are \$4,928,000 for FY 2000-01, and \$4,989,000 for FY 2001-02.

Foster Parent Training Fund

FUNDING:

The actual transfer from child support FC collections to the Foster Parent Training Fund is 100 percent State General Fund.

CHANGE FROM NOVEMBER:

This estimate was updated for the most recent estimated FC collections and incentives for FY 2000-01 and FY 2001-02

REASON FOR YEAR-TO-YEAR CHANGE:

The change in FY 2001-02 is based on the updated estimated FC collections and incentives.

EXPENDITURES:

(in 000's)

| | 2000-01 LCSA Admin. | 2001-02 LCSA Admin. |
|----------------|------------------------|------------------------|
| Total | \$4,928 | \$4,989 |
| Federal | 0 | 0 |
| State | 4,928 | 4,989 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Title IV-E Child Support Collections

DESCRIPTION:

This premise reflects the estimated federal share (Title IV-E) of Foster Care (FC) collections that reduces the federal share of FC expenditures at California Department of Social Services (CDSS).

The California Department of Child Support Services is responsible for reimbursing CDSS with the federal share of FC collections as reported to the federal government.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- It is assumed that 6.68 percent of the total assistance child support distributed collections are FC collections. This is based on actual collection data reported on the CS 800 Reports, Summary Reports of Child and Spousal Support Payments for July 2000 through December 2000.
- It is assumed that 52.31 percent of the FC collections are federally eligible. This is also based on actual collection data reported on the CS 800 Reports for July 2000 through December 2000.
- The Federal Medical Assistance Percentage (FMAP) is assumed to be 51.67 percent for the period July 1, 2000, through September 30, 2000, and 51.25 percent for the period October 1, 2000, through September 30, 2001, and is projected to increase to 51.40 percent effective October 1, 2001.

METHODOLOGY:

- For each child support premise, the FC share of collections percentage (6.68 percent) was applied to the estimated collections. The result was multiplied by the federal participation rate of 52.31 percent for each premise. The FMAP rate was then applied. The results for each premise were summed up to a total of \$12,298,000 for FY 2000-01 and \$13,345,000 for FY 2001-02 in the federal share of FC collections.
- The funding is shown as an administrative cost pass-through in the DCSS' budget and as an expenditure reduction in the CDSS' budget under FC Net Payments.

FUNDING:

This premise is funded at the FMAP rate.

Title IV-E Child Support Collections

CHANGE FROM NOVEMBER:

This premise changed as a result of updating the estimated collections.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2001-02 estimate increases due to an anticipated growth in collections.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$12,298 | \$13,345 |
| Federal | 12,298 | 13,345 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Child Support Basic Incentives

DESCRIPTION:

This premise reflects the federal and state child support incentives.

Effective October 1, 1999, the methodology for calculating state entitlement for federal child support incentives was changed by Public Law (P.L.) 105-200, the Child Support Performance and Incentive Act of 1998. The federal incentives that will be passed-on to California counties will no longer be a flat six percent of distributed collections. Furthermore, effective July 1, 1999, Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999) changed the way state child support incentives will be paid to counties. State incentives will now be used to fund net local child support agency administrative expenditures, after federal financial participation and federal incentives have been deducted.

Pursuant to AB 1111, a flat rate of 13.6 percent of statewide projected collections must be used to establish the funding pool in each state fiscal year. This pool comprises a combination of both federal and state incentive dollars available to fund county administrative expenditures and recurring and non-recurring electronic data processing maintenance and operation automation costs. The federal incentives are estimated based on the five performance measures; the State funds are what remains of the 13.6 percent pool after deducting estimated federal incentives.

IMPLEMENTATION DATE:

- AB 1111 implemented changes to the State child support incentive methodology effective July 1, 1999.
- P.L. 105-200 implemented changes to the federal child support incentive methodology effective October 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code section 17704.
- The combined federal and state incentive payment shall be 13.6 percent of the distributed collections. Distributed collections are those actually received by families or agencies providing assistance.
- The federal government pays incentives based on P.L. 105-200 using the following criteria:

1. The State's Collection Base

The federal incentive methodology gives a weight of two for all distributed collections made in current and former assistance cases. The Federal Fiscal Year (FFY) 1998 distributed collections were used from the federal Office of Child Support Enforcement Fiscal Year 98 Box Scores by States (Preliminary) report. The formula is as follows:

$$2 \times (\text{Current Support Collections} + \text{Former Assistance Collections}) + \text{Never Assistance Collections} = \text{the State Collection Base}$$

Child Support Basic Incentives

KEY DATA/ASSUMPTIONS (continued):

2. Performance Factors

The federal incentive methodology considers program performance in five areas to determine each performance level:

- Paternities Established
- Support Orders Established
- Current Support Collected

(The above three performance factors may each earn up to a performance level of 1.00 percent of the collection base.)

- Cases Paying on Arrears
- Cost-Effectiveness

(The above two performance factors may each earn up to a performance level of 0.75 percent of the collection base.)

3. The Incentive Base Amount

Each performance level is multiplied by the collection base for each performance factor which results in an incentive base amount.

4. Comparison with Other States

The sum of all states' incentive base amounts is divided into each state's incentive base amount to determine the State's percentage of the available federal pool.

5. The Available Federal Incentive Pool

P.L. 105-200 established a set pool of available incentive funds for each federal fiscal year through FFY 2008. After FFY 2008, the available pool of federal incentive funds will be determined using the Consumer Price Index. Following are the statutorily set pool amounts for each federal fiscal year:

- FFY 2000 \$422,000,000
- FFY 2001 \$429,000,000
- FFY 2002 \$450,000,000
- FFY 2003 \$461,000,000
- FFY 2004 \$454,000,000
- FFY 2005 \$446,000,000
- FFY 2006 \$458,000,000
- FFY 2007 \$471,000,000
- FFY 2008 \$483,000,000

Child Support Basic Incentives

Child Support Basic Incentives

KEY DATA/ASSUMPTIONS (continued):

6. Determining the States Incentive Entitlement

The State's percentage of the available pool, as determined in number 5, is multiplied by the available federal pool for each performance level in the applicable federal fiscal year to determine the State's entitlement to federal incentives. Then each performance level federal incentives amount is cumulated. It is assumed that California would be entitled to \$63,272,000 in FY 2000-01 and \$44,416,000 in FY 2001-02 in federal incentives.

7. Phase-in

P.L. 105-200 established that in FFY 2000, two-thirds of the State's incentive will be paid using the old methodology of six percent, and one-third will be paid using the new methodology. In FFY 2001, one-third of the incentive will be paid using the old methodology and two-thirds will be paid using the new methodology. In FFY 2002, full implementation begins.

METHODOLOGY:

- Incentives are paid on 13.6 percent of estimated distributed collections. For State Fiscal Year (SFY) 2000-01, distributed collections are estimated at \$733,568,000 for assistance and \$1,304,639,000 for nonassistance for a combined total of \$2,038,207,000. In SFY 2001-02, the collections are estimated at \$791,147,000 for assistance and \$1,467,336,000 for nonassistance for a combined total of \$2,258,483,000.
- The federal incentives are estimated using the new methodology under P.L. 105-200. For SFY 2000-01, the federal incentives are \$63,272,000, and for SFY 2001-02, the federal incentives are \$44,416,000.
- The State incentives are what remains of the 13.6 percent pool after deducting estimated federal incentives. For SFY 2000-01, the State incentives are \$207,403,000, and for SFY 2001-02, the State incentives are \$262,738,000.

FUNDING:

The federal incentives are estimated using the new methodology under P.L. 105-200. The State incentives are what remains of the 13.6 percent pool after deducting estimated federal incentives. The federal and state incentives will fund administrative costs incurred by local child support agencies.

Child Support Basic Incentives

CHANGE FROM NOVEMBER:

The SFY 2000-01 estimate increased due to the change in assumptions for calculating the available pool for federal incentives.

The SFY 2001-02 estimate decreased as a result of the estimated distributed collections decreased.

REASON FOR YEAR-TO-YEAR CHANGE:

The SFY 2001-02 estimate increased due to the estimated collections, which results in the 13.6 percent incentive pool increase.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$0 | \$0 |
| Federal | 63,272 | 44,416 |
| State | 207,403 | 262,738 |
| County | -270,675 | -307,154 |
| Reimbursements | 0 | 0 |

Improved Collections Incentives (AB 196)

DESCRIPTION:

This premise reflects the incentives for local child support agencies (LCSAs) with the ten highest welfare and former welfare collections standards pursuant to Assembly Bill 196 (Chapter 478, Statutes of 1999).

These LCSAs would receive an additional five percent of the State's share of their collections are used as recoupment of cost. The counties are encouraged to use the increased recoupment to continue to increase child support collections in the county.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS :

- Authorizing statute: Family Code section 17706.
- The assistance and former assistance child support collections are based on the LCSA's monthly CS 800 Reports, Summary of Child and Spousal Support Payments for Fiscal Year (FY) 1999-00.
- The California Work Opportunity and Responsibility To Kids (CalWORKS) grant expenditures are based on the CA 800 Report, Summary Report of Assistance Expenditures for CalWORKs for FY 1999-00.
- Former Assistance caseload data (as of June 30, 2000) is from the FY 1999-00 CS 157, Annual Data and Accounts Receivable report.
- The 6.6 percent collection growth was based on the May 2001 Revise basic assistance collection trend.

METHODOLOGY:

- The average amount collected for former assistance cases was computed by dividing the former assistance collections by the number of former assistance cases in each LCSA. Each LCSA was ranked by the highest average amount collected per former assistance case to the lowest.
- A ratio of expenditures being repaid was determined for each LCSA by computing the CalWORKs grant expenditures divided by the current assistance collections. Each LCSA was ranked from the highest ratio to the lowest.
- The two rankings were averaged to determine the 10 highest ranking LCSAs.

Improved Collections Incentives (AB 196)

METHODOLOGY (continued):

- For FY 2000-01, the estimate reflects the ten LCSA's five percent of their FY 1999-00 state share of child support assistance collections.
- For FY 2001-02, the current year estimate was increased by the 6.6 percent projected collection growth.

FUNDING:

These costs are 100 percent State General Fund.

CHANGE FROM NOVEMBER:

The FY 2000-01 and FY 2001-02 estimates increased due to the change in assumptions for determining the eligible LCSAs.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2001-02 estimate increased due to the projected growth of collections.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|------------|
| | LCSA Admin. | LCSA Admin |
| Total | \$1,249 | \$1,332 |
| Federal | 0 | 0 |
| State | 1,249 | 1,332 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

California Child Support Automation System

DESCRIPTION:

This premise reflects the federal funds pursuant to Assembly Bill (AB) 150 (Chapter 479, Statutes of 1999) as a pass through to Franchise Tax Board (FTB) for the development and implementation of the California Child Support Automation System (CCSAS).

Pursuant to Welfare and Institution Code (W&IC) section 10080(b)(3), FTB has been designated, as California Department of Child Support Services' agent, as the entity responsible for the procurement, development, implementation, and maintenance of the single statewide automated system in accordance with the state's child support (Title IV-D) plan.

Based on the new direction for child support automation as specified in AB 150, the General Fund (GF) resources associated with statewide implementation, contract and consultant costs for new system planning and development, concept development and verification, project management and support, and independent verification and validation were transferred to FTB. In FY 2000-01, the DCSS became the single state agency for the Title IV-D funds. Therefore, federal funds for CCSAS are budgeted by DCSS and passed through as a reimbursement to FTB.

IMPLEMENTATION DATE:

This premise was implemented in September 1999.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 10080.

METHODOLOGY:

Legislation transferred the responsibility for the development and implementation of the single statewide automated system for the child support program from Health & Human Service Data Center to FTB. The estimated federal funds for CCSAS for FY 2000-01 is \$14,726,000, and \$13,541,000 for FY 2001-02.

FUNDING:

The Title IV-D federal funds pass through for CCSAS represents 80 percent enhanced funding for project planning costs through September 31, 2001. The 66 percent regular funding represents CCSAS planning costs not eligible for the 80 percent enhanced reimbursement, such as, project staff development training, and independent validation and verification contracted services.

California Child Support Automation System

CHANGE FROM NOVEMBER:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2001-02 is based on the reduction of enhanced funding.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|----------------|-------------|-------------|
| | LCSA Admin. | LCSA Admin. |
| Total | \$14,726 | \$13,541 |
| Federal | 14,726 | 13,541 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Child Support Program – Basic Collections

DESCRIPTION:

This premise reflects the revenue from the basic distributed child support collections whether it is distributed to the state as revenue, to the families, or to other states.

Basic collections represent the ongoing efforts of the local child support agencies (LCSA) to collect child support payments from non-custodial parents. Besides child support payment data, significant factors that affect basic collections include minimum award, wage assignments, and intercepts. The Franchise Tax Board (FTB) non-tax collections and the \$50 State Disregard Payments to Families are reflected as separate premises.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11477.
- The child support payment data for assistance collections are based on the counties' monthly CS 800 Reports, Summary Report of Child and Spousal Support Payments, beginning with July 1997 through December 2000.
- The child support payment data for nonassistance are based on the counties' monthly CS 820 Reports, Child/Family/Spousal and Medical Support Collections and Non-Assistance Distributions and Disbursements Summary, beginning with July 1997 through December 2000.
- The child support collections to other states data are based on the counties' FY 1999-00 CS 820 Reports.

METHODOLOGY:

- Assistance actual distributed collections are reported monthly on the CS 800 Reports. Actuals from the CS 800 Reports, less FTB non-tax assistance collections and \$50 Disregard payments to families, were used to construct a 42-month trend from July 1997 through December 2000.
- Nonassistance actual distributed collections are reported monthly on the CS 820 Reports. Actuals from the CS 820 Reports, less the FTB non-tax nonassistance collections, were used to construct a 42-month trend from July 1997 through December 2000.
- Assistance collections for other states are reported on the CS 820 Reports. For FY 2000-01, the FY 1999-00 actuals were used and an 6.6 percent growth was applied, which resulted in a projection of \$18,013,000. For FY 2001-02, the FY 2000-01 estimated collections for other states was multiplied by a 9.0 percent growth, which resulted in \$19,635,000. The year-to – year growth rates were based on the California's assistance projected trend growth.

Child Support Program – Basic Collections

METHODOLOGY (continued):

- Nonassistance collections for other states are reported on the CS 820 Reports. For FY 2000-01, the FY 1999-00 actuals were used and a 14.4 percent growth was applied, which resulted in a projection of \$97,980,000. For FY 2001-02, the FY 2000-01 estimated collections for other states was multiplied by a 12.7 percent growth, which resulted in \$110,423,000. The year-to-year growth rates were based on the California's nonassistance projected trend growth.

FUNDING:

- Collections made on behalf of nonassistance families are forwarded directly to custodial parents.
- Collections made on behalf of other states are forwarded directly to other states for distribution.
- Collections for assistance families, less the \$50 disregard payment to families, are retained and serve as recoupment of costs. The assistance collections are shared based on the Federal Medical Assistance Percentage and the nonfederal sharing ratios. These percentages are reflected below:

| <u>ASSISTANCE:</u> | July 2000 – Sept. 2000 | Oct. 2000 – Sept. 2001 | Oct. 2001-June 2002 |
|--------------------|------------------------|------------------------|---------------------|
| Federal | 51.67% | 51.25% | 51.40% |
| State | 45.91% | 46.31% | 46.17% |
| County | 2.42% | 2.44% | 2.43% |

ASSISTANCE Nonfederal:

| | |
|---------|--------|
| Federal | 0.00% |
| State | 95.00% |
| County | 5.00% |

| <u>Foster Care (FC):</u> | Oct. 1999 – Sept. 2000 | Oct. 2000 – Sept. 2001 | Oct. 2001-June 2002 |
|--------------------------|------------------------|------------------------|---------------------|
| Federal | 51.67% | 51.25% | 51.40% |
| State | 19.33% | 19.50% | 19.44% |
| County | 29.00% | 29.25% | 29.16% |

FC Nonfederal:

| | |
|---------|--------|
| Federal | 0.00% |
| State | 40.00% |
| County | 60.00% |

Child Support Program – Basic Collections

CHANGE FROM NOVEMBER:

The FY 2000-01 and FY 2001-02 estimates were updated for the most recent actual assistance distributed collections data from the CS 800 Reports. .

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2001-02 increase is due to an anticipated growth in collections.

EXPENDITURES:

(in 000's)

| | 2000-01 Collections | 2001-02 Collections |
|------------------------------|------------------------|------------------------|
| Total | \$627,811 | \$684,385 |
| Federal | 300,528 | 327,657 |
| State | 294,034 | 320,499 |
| County | 33,249 | 36,229 |
| Other | 0 | 0 |
| Nonassistance | 1,162,504 | 1,309,942 |
| Collections For Other States | | |
| - Assistance | 18,013 | 19,635 |
| - Nonassistance | 97,980 | 110,423 |

\$50 State Disregard Payment to Families

DESCRIPTION:

This premise reflects the funds for the \$50 state disregard payments to families.

In addition to the California Work Opportunity and Responsibility to Kids (CalWORKS) grant, custodial parents also receive the first \$50 of the current month's child support payment collected from the absent parent. Forwarding the disregard portion of the collection to the family instead of retaining it as revenue to the state results in lost collection revenues.

Under the provision of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the federal government discontinued federal financial participation in the disregard payment to the family as of October 1, 1996. Therefore, this premise reflects the cost for the State to fund the entire \$50 disregard payment to the custodial parent.

IMPLEMENTATION DATE:

This premise was implemented in Fiscal Year (FY) 1984-85.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code section 17504.
- The child support payment data are based on the counties' monthly CS 800 Reports, Summary Report of Child and Spousal Support Payments, beginning with January 1996 through June 2000.

METHODOLOGY:

- The cost of the current \$50 disregard is reported monthly on the CS 800 Report. The disregard is paid when the current child support collection is distributed.
- The forecast was generated utilizing 54 months of data from the CS 800 Reports, from January 1996 through June 2000.

FUNDING:

- The costs associated with the \$50 disregard are 100 percent State General Fund. The cost is counted toward the State's Temporary Assistance for Needy Families (TANF) maintenance of effort requirement (MOE).
- For FYs 2000-01 and 2001-02, the costs are reflected in California Department of Social Services' budget as additional TANF/MOE expenditures.
- Costs are reflected in California Department of Child Support Services' collections tables to display amount of collections that are paid to the families.

\$50 State Disregard Payment to Families

CHANGE FROM NOVEMBER:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2001-02 decrease is due to a projected decrease in the number of actual payments.

EXPENDITURES:

(in 000's)

| | 2000-01 | 2001-02 |
|---------|-------------|-------------|
| | Collections | Collections |
| Total | \$30,276 | \$28,010 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Other | 30,276 | 28,010 |

Franchise Tax Board Non-Tax Collections Program

DESCRIPTION:

This premise reflects the increased non-tax collections obtained by the Franchise Tax Board (FTB) resulting from the collections from cases that are delinquent in child support payments by 60 days. The FTB sends demand for payment notices and processes bank and wage levies on accounts for child support collections based on county referrals.

Pursuant to Assembly Bill (AB) 3589 (Chapter 1223, Statutes of 1992), district attorney offices in the counties of Ventura, Los Angeles, Santa Clara, Solano, Nevada, and Fresno volunteered to work with the FTB to design, test and implement a pilot child support collections program. As of December 1993, these pilot counties became fully operational with this program. AB 923 (Chapter 906, Statutes of 1994) authorized expansion of the FTB Collections Program statewide by December 31, 1996.

AB 1395 (Chapter 614, Statutes of 1997) mandated the district attorney offices to refer all child support cases that are delinquent by 90 days to the FTB for collection effective January 1, 1998.

AB 702 (Chapter 697, Statutes of 1997) required a data match system between the FTB and financial institutions doing business in the State. Its purpose is to discover otherwise unknown assets of delinquent child support obligors. The system has been mandated by federal mandate, Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

FTB support costs are funded through the Department's state operations at 66 percent federal financial participation and 34 percent State General Fund and are passed on to FTB through an interagency agreement.

IMPLEMENTATION DATE:

- March 1, 1993 – Volunteer case referrals
- January 1, 1998 – 90-day delinquent cases
- July 1, 1998 – Financial Institution Data Match (FIDM) system

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code section 17501; Revenue and Taxation Code sections 19271.5(a) and 19271.6.
- The estimated collections were provided by FTB based on historical data.
- The distribution ratio of 89.95 percent is based on FTB's historical data from the period of December 1993 through February 2001.
- The assistance ratio of 55.28 percent and the nonassistance ratio of 44.72 percent are based on FTB's historical data from the period of December 1993 through February 2001.

Franchise Tax Board Non-Tax Collections Program

KEY DATA/ASSUMPTIONS (continued):

Non-FIDM Collections

- Collections are based on demands, bank levies, wage levies, out-of-state referral notices, and out-of state contract collections.

FIDM Collections

- Collections are based on data provided by FTB as a result of initial banks and other financial institutions' participation.

METHODOLOGY:

Non-FIDM Collections

- The estimated collections from demands are \$2,799,000 for Fiscal Year (FY) 2000-01 and for FY 2001-02.
- The estimated collections from bank levies are \$6,299,000 for FY 2000-01 and for FY 2001-02.
- The estimated collections from wage levies are \$72,596,000 for FY 2000-01 and for FY 2001-02.
- The estimated collections from miscellaneous levies are \$7,000 for FY 2000-01 and FY 2001-02.
- The estimated collections from out-of-state referral notices are \$385,000 for FY 2000-01 and for FY 2001-02.
- The estimated collections from out-of-state contract collections are \$734,000 for FY 2000-01 and for FY 2001-02.
- The sum total of all the actions for non-FIDM collections is \$82,800,000 for FY 2000-01 and for FY 2001-02. For FY 2001-02, FTB is anticipating to continue collecting at the same rate as FY 2000-01, except for San Diego's participation in the program effective June 2001 with an anticipated collection amount of \$7,000,000.

FIDM Collections

- The estimated collections for FIDM are \$24,000,000 for FY 2000-01 and for FY 2001-02, based on data provided by FTB as a result of initial banks and other financial institutions' participation.

Franchise Tax Board Non-Tax Collections Program

Net Collections

- For FY 2000-01, the combined total of non-FIDM collections (\$82,800,000) and FIDM (\$24,000,000) is \$106,800,000. This total was multiplied by the distribution ratio of 89.95 percent to determine the distributed collections (\$96,067,000). This amount was multiplied by the assistance ratio of 55.28 percent resulting in an assistance collection amount of \$53,106,000. The distributed collection amount (\$96,067,000) was also multiplied by the nonassistance ratio of 44.72 percent resulting in a nonassistance collection amount of \$42,961,000.
- For FY 2001-02, the combined total of non-FIDM collections (\$82,800,000), FIDM (\$24,000,000) and collections anticipated from San Diego of \$7,000,000 is \$113,800,000. This total was multiplied by the distribution ratio of 89.95 percent to determine the distributed collections (\$102,364,000). This amount was multiplied by the assistance ratio of 55.28 percent resulting in an assistance collection amount of \$56,587,000. The distributed collection amount (\$102,364,000) was also multiplied by the nonassistance ratio of 44.72 percent resulting in a nonassistance collection amount of \$45,777,000.

FUNDING:

The assistance collections are shared based on the Federal Medical Assistance Percentage. These percentages are reflected below:

| <u>ASSISTANCE:</u> | July 2000 – Sept. 2000 | Oct. 2000 – Sept. 2001 | Oct. 2001-June 2002 |
|--------------------|------------------------|------------------------|---------------------|
| Federal | 51.67% | 51.25% | 51.40% |
| State | 45.91% | 46.31% | 46.17% |
| County | 2.42% | 2.44% | 2.43% |

ASSISTANCE

Nonfederal:

| | |
|---------|--------|
| Federal | 0.00% |
| State | 95.00% |
| County | 5.00% |

Franchise Tax Board Non-Tax Collections Program

FUNDING (continued):

| <u>Foster Care (FC):</u> | Oct. 1999 – Sept. 2000 | Oct. 2000 – Sept. 2001 | Oct. 2001-June 2002 |
|--------------------------|------------------------|------------------------|---------------------|
| Federal | 51.67% | 51.25% | 51.40% |
| State | 19.33% | 19.50% | 19.44% |
| County | 29.00% | 29.25% | 29.16% |
| <u>FC Nonfederal:</u> | | | |
| Federal | 0.00% | | |
| State | 40.00% | | |
| County | 60.00% | | |

CHANGE FROM NOVEMBER:

The FY 2000-01 and FY 2001-02 estimates were updated based on the most recent actual collection data from the period of July 2000 through February 2001. Additionally, the estimated increase is due to the increase growth in wage levies collections.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2001-02 increase is due to the San Diego participation in the program.

EXPENDITURES:

(in 000's)

| Assistance | 2000-01 | 2001-02 |
|---------------|-------------|-------------|
| | Collections | Collections |
| Total | \$53,106 | \$56,586 |
| Federal | 25,421 | 27,091 |
| State | 24,872 | 26,499 |
| County | 2,813 | 2,996 |
| Other | 0 | 0 |
| NonAssistance | 42,961 | 45,777 |